

RICHTERSVELD

MUNICIPALITY



Die Richtersveld leuse is:

!Ghâi //Khoredi

Dit beteken: "Strewe na sukses" in Nama

FINANCIAL STATEMENTS

30 JUNE 2013

RICHTERSVELD MUNICIPALITY

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RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

GENERAL INFORMATION

NATURE OF BUSINESS

Richtersveld Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Richtersveld Municipality includes the areas of Port Nolloth, Eksteensfontein, Kubous, Alexander Bay, Sandrift and Lekkersing.

MUNICIPAL MANAGER

DA Farmer

CHIEF FINANCIAL OFFICER

IG Valentein

REGISTERED OFFICE

Private Bag X113
PORT NOLLOTH
8280

AUDITORS

Auditor-General
Private Bag X5013
KIMBERLEY
8300

PRINCIPLE BANKERS

First National Bank

ATTORNEYS

Tobie Kotze & Van Sitterts
Schreuders

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations
Municipal Budget and Reporting Regulations

RICHTERSVELD MUNICIPALITY

MEMBERS OF THE RICHTERSVELD MUNICIPALITY

WARD

1
2
3
4
Proportional
Proportional
Proportional
Proportional

COUNCILLOR

WJP Links
A Jansen
G Beukes
LR Ambrosini
EN Hausiku
CF de Lange Richter
T Swartbooi
J Pretorius

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 4 to 94 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

DA Farmer
Municipal Manager

Date

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013

	Notes	2013 R	2012 R
NET ASSETS AND LIABILITIES			
Net Assets		149 105 573	140 167 018
Capital Replacement Reserve	2	1 103 661	1 322 549
Housing Development Fund	2	692 572	715 664
Accumulated Surplus/(Deficit)		147 309 341	138 128 806
Non-Current Liabilities		11 682 483	12 146 581
Long-term Liabilities	3	2 595 300	3 387 672
Non-current Provisions	4	5 943 427	5 607 362
Non-current Employee Benefits	5	3 143 756	3 151 546
Current Liabilities		13 699 492	16 675 401
Consumer Deposits	6	762 929	716 588
Current Employee Benefits	7	1 796 942	1 447 226
Payables from exchange transactions	8	7 744 465	3 250 337
Unspent Conditional Government Grants and Receipts	9	2 450 908	9 860 843
Current Portion of Long-term Liabilities	3	944 248	1 400 407
Total Net Assets and Liabilities		174 487 548	168 988 999
ASSETS			
Non-Current Assets		158 877 929	148 274 472
Property, Plant and Equipment	12	108 606 837	97 886 396
Investment Property	13	49 934 168	49 937 933
Intangible Assets	14	120 651	225 856
Long-term Receivables	15	216 272	224 287
Current Assets		15 609 620	20 714 528
Inventory	16	33 787	62 431
Receivables from exchange transactions	17	1 395 260	1 590 639
Receivables from non-exchange transactions	18	611 840	449 149
Unpaid Conditional Government Grants and Receipts	9	0	2 706
Operating Lease Asset	19	14 753	17 469
Taxes	10.1	3 146 918	2 133 754
Current Portion of Long-term Receivables	15	9 513	10 175
Cash and Cash Equivalents	20.1	10 397 550	16 448 203
Total Assets		174 487 548	168 988 999

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 R	2012 R
REVENUE			
Revenue from Non-exchange Transactions		44 912 210	23 069 014
Taxation Revenue		7 166 981	6 856 823
Property taxes	21	7 166 981	6 856 823
Transfer Revenue		37 574 113	16 198 725
Government Grants and Subsidies	22	37 565 593	16 096 514
Public Contributions and Donations	23	8 520	102 211
Other Revenue		171 116	13 465
Fines		25 260	13 465
Actuarial Gains	5	145 856	-
Revenue from Exchange Transactions		23 906 635	21 999 721
Property Rates - penalties imposed and collection charges		634 006	513 354
Service Charges	24	16 764 123	16 313 818
Rental of Facilities and Equipment	25	1 545 194	1 412 106
Interest Earned - external investments	26	652 812	612 801
Interest Earned - outstanding receivables	27	1 604 289	1 472 412
Licences and Permits		108 900	148 793
Income for Agency Services		370 554	378 509
Other Income	28	2 226 756	1 147 929
Total Revenue		68 818 845	45 068 735
EXPENDITURE			
Employee related costs	29	(15 634 666)	(12 592 137)
Remuneration of Councillors	30	(1 980 882)	(1 849 416)
Debt Impairment	31	(5 566 092)	(4 793 318)
Depreciation and Amortisation	32	(4 421 272)	(6 259 497)
Repairs and Maintenance		(1 310 452)	(1 358 739)
Unamortised Discount - Interest		(103 499)	(137 940)
Actuarial Losses	5	(54 452)	(184 836)
Finance Costs	33	(1 041 492)	(1 036 255)
Bulk Purchases	34	(8 294 689)	(7 283 099)
Contracted Services		(514 336)	(217 947)
Other Operating Grant Expenditure	35	(13 435 331)	(6 553 577)
General Expenses	36	(6 816 923)	(5 462 027)
Total Expenditure		(59 174 085)	(47 728 789)
Operating Surplus for the Year		9 644 760	(2 660 054)
Gains/(Loss) on Sale of Assets	37	-	603 310
(Impairment loss)/Reversal of impairment loss	38	(706 205)	(248 455)
NET SURPLUS/(DEFICIT) FOR THE YEAR		8 938 555	(2 305 199)

RICHTERSVELD MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2013

	Capital Replacement Reserve R	Housing Development Fund R	Accumulated Surplus/ (Deficit) R	Total R
Balance at 1 July 2011	1 330 923	948 065	139 161 640	141 440 628
Correction of Error - Note 39.11	-	-	1 031 590	1 031 590
Restated balance	1 330 923	948 065	140 193 230	142 472 218
Net Surplus/(Deficit) for the year	-	-	(2 305 199)	(2 305 199)
Net Surplus/(Deficit) previously reported	-	-	(2 000 358)	(2 000 358)
Effects of Correction of Errors - Note 39.12	-	-	(304 841)	(304 841)
Property, Plant and Equipment purchases	(2 151 917)	-	2 151 917	-
Transfer to/from CRR	2 143 543	-	(2 143 543)	-
Transfer to Housing Development Fund	-	(232 401)	232 401	-
Restated balance	1 322 549	715 664	138 128 806	140 167 019
Net Surplus/(Deficit) for the year	-	-	8 938 555	8 938 555
Transfer to/from CRR	303 535	-	(303 535)	-
Property, Plant and Equipment purchases	(522 423)	-	522 423	-
Transfer to Housing Development Fund	-	(23 092)	23 092	-
Balance at 30 June 2013	1 103 661	692 572	147 309 340	149 105 573

RICHTERSVELD MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 R	2012 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		5 793 079	2 849 316
Sale of goods and services		15 016 989	15 768 764
Grants		30 158 364	21 619 273
Investment Income		652 812	2 085 213
Other receipts		4 160 170	3 827 798
Cash payments			
Employee costs		(17 417 666)	(14 828 390)
Suppliers		(26 862 122)	(22 408 852)
Finance costs		(469 623)	(474 196)
Net Cash from Operating Activities	40	11 032 003	8 438 926
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(15 724 514)	(2 876 752)
Proceeds on Disposal of Fixed Assets		-	32 866
(Increase)/Decrease in Intangible Assets		(14 790)	(5 803)
(Increase)/Decrease in Non-current Assets Held for Sale		-	-
(Increase)/Decrease in Investment Properties		-	-
(Increase)/Decrease in Long-term Receivables		8 677	7 587
(Increase)/Decrease in Non-current Investments		-	-
Net Cash from Investing Activities		(15 730 627)	(2 842 103)
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised		74 854	-
Loans repaid		(1 426 885)	(1 337 648)
Net Cash from Financing Activities		(1 352 030)	(1 337 648)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(6 050 654)	4 259 176
Cash and Cash Equivalents at the beginning of the year		16 448 203	12 189 027
Cash and Cash Equivalents at the end of the year	41	10 397 550	16 448 203
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(6 050 653)	4 259 176

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013

	Notes	Original Budget	Budget Adjustments	Final Adjustment Budget	Shifting of Funds	Virement	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
			(i.t.o. s28 and s31 of the MFMA)		(i.t.o. s31 of the MFMA)	(i.t.o. Council approved by-law)		2013	%
		R	R	R	R	R	R	R	
ASSETS									
Current Assets									
Cash	45.2.1	17 646 000	(17 224 424)	421 576	-	-	421 576	1 039 769	146.64%
Call Investment Deposits	45.2.1	-	2 639 384	2 639 384	-	-	2 639 384	9 357 780	254.54%
Consumer Debtors	45.2.1	2 009 000	(1 415 949)	593 051	-	-	593 051	1 804 252	204.23%
Other Debtors	45.2.1	180 000	92 586	272 586	-	-	272 586	3 364 518	1134.29%
Current Portion of long-term receivables	45.2.1	10 000	(10 000)	-	-	-	-	9 513	-
Inventory	45.2.1	105 000	218 945	323 945	-	-	323 945	33 787	-89.57%
Total Current Assets	45.2.1	19 950 000	(15 699 458)	4 250 542	-	-	4 250 542	15 609 620	367.24%
Non-Current Assets									
Long-term receivables		210 000	24 462	234 462	-	-	234 462	216 272	-7.76%
Investments		-	-	-	-	-	-	-	-
Investment Property		40 922 500	9 015 433	49 937 933	-	-	49 937 933	49 934 168	-0.01%
Investment in Associates		-	-	-	-	-	-	-	-
Property, Plant and Equipment		95 337 000	7 063 790	102 400 790	-	-	102 400 790	108 606 837	6.06%
Agricultural Assets		-	-	-	-	-	-	-	-
Biological Assets		-	-	-	-	-	-	-	-
Intangible Assets	45.2.2	-	225 856	225 856	-	-	225 856	120 651	-46.58%
Other Non-Current Assets		-	-	-	-	-	-	-	-
Total Non-Current Assets	45.2.2	136 469 500	16 329 541	152 799 041	-	-	152 799 041	158 877 929	3.98%
TOTAL ASSETS		156 419 500	630 083	157 049 583	-	-	157 049 583	174 487 548	11.10%
LIABILITIES									
Current Liabilities									
Bank Overdraft		-	-	-	-	-	-	-	-
Borrowing	45.2.3	1 150 000	-	1 150 000	-	-	1 150 000	944 248	-17.89%
Consumer Deposits		650 000	66 588	716 588	-	-	716 588	762 929	6.47%
Trade and Other Payables	45.2.3	8 500 000	13 203 567	21 703 567	-	-	21 703 567	10 195 373	-53.02%
Provisions	45.2.3	2 813 000	(1 560 169)	1 252 831	-	-	1 252 831	1 796 942	43.43%
Total Current Liabilities	45.2.3	13 113 000	11 709 985	24 822 985	-	-	24 822 985	13 699 492	-44.81%
Non-Current Liabilities									
Borrowing	45.2.4	2 630 000	1 155 475	3 785 475	-	-	3 785 475	2 595 300	-31.44%
Provisions		5 759 000	3 700 317	9 459 317	-	-	9 459 317	9 087 183	-3.93%
Total Non-Current Liabilities	45.2.4	8 389 000	4 855 792	13 244 792	-	-	13 244 792	11 682 483	-11.80%
TOTAL LIABILITIES		21 502 000	16 565 777	38 067 777	-	-	38 067 777	25 381 975	-33.32%
NET ASSETS									
Accumulated Surplus/(Deficit)	45.2.5	124 792 500	(7 848 906)	116 943 594	-	-	116 943 594	147 309 341	25.97%
Reserves	45.2.5	10 125 000	(8 086 788)	2 038 212	-	-	2 038 212	1 796 233	-11.87%
Minorities' Interests		-	-	-	-	-	-	-	-
TOTAL NET ASSETS	45.2.5	134 917 500	(15 935 694)	118 981 806	-	-	118 981 806	149 105 573	25.32%

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2013 R	%
REVENUE									
Property Rates		6 474 222	701 180	7 175 402	-	-	7 175 402	7 166 981	-0.12%
Property Rates - Penalties & Collection Charges	45.2.6	461 724	(10)	461 714	-	-	461 714	634 006	37.32%
Service Charges - Electricity Revenue	45.2.6	9 698 029	(944 686)	8 753 343	-	-	8 753 343	7 065 950	-19.28%
Service Charges - Water Revenue		6 471 999	(1 464 950)	5 007 049	-	-	5 007 049	5 235 941	4.57%
Service Charges - Sanitation Revenue	45.2.6	2 439 571	(233 993)	2 205 578	-	-	2 205 578	2 383 697	8.08%
Service Charges - Refuse Revenue	45.2.6	2 200 649	296 645	2 497 294	-	-	2 497 294	2 078 535	-16.77%
Service Charges - Other Revenue		(1 879)	-	(1 879)	-	-	(1 879)	-	-
Rental of Facilities and Equipment	45.2.6	2 049 294	14 000	2 063 294	-	-	2 063 294	1 545 194	-25.11%
Interest Earned - External Investments	45.2.6	602 470	-	602 470	-	-	602 470	652 812	8.36%
Interest Earned - Outstanding Debtors	45.2.6	1 376 700	419 879	1 796 579	-	-	1 796 579	1 604 289	-10.70%
Dividends Received		-	-	-	-	-	-	-	-
Fines	45.2.6	12 600	-	12 600	-	-	12 600	25 260	100.48%
Licences and Permits	45.2.6	162 598	-	162 598	-	-	162 598	108 900	-33.02%
Agency Services	45.2.6	474 615	-	474 615	-	-	474 615	370 554	-21.93%
Transfers Recognised - Operational	45.2.6	14 194 887	10 941 993	25 136 880	-	-	25 136 880	21 220 273	-15.58%
Other Revenue	45.2.6	721 387	149 592	870 979	-	-	870 979	2 372 612	172.41%
Gains on Disposal of PPE	45.2.6	-	35 000	35 000	-	-	35 000	-	-100.00%
Total Revenue (excluding capital transfers and contributions)	45.2.6	47 338 866	9 914 650	57 253 516	-	-	57 253 516	52 465 005	-8.36%
EXPENDITURE									
Employee Related Costs	45.2.7	(17 036 886)	(991 682)	(18 028 568)	-	-	(18 028 568)	(15 689 118)	-12.98%
Remuneration of Councillors		(1 865 102)	(148 242)	(2 013 344)	-	-	(2 013 344)	(1 980 882)	-1.61%
Debt Impairment		(3 080 369)	(2 375 206)	(5 455 575)	-	-	(5 455 575)	(5 566 092)	2.03%
Depreciation and Asset Impairment		-	(4 822 556)	(4 822 556)	-	-	(4 822 556)	(5 127 477)	6.32%
Finance Charges	45.2.7	(508 140)	(331 078)	(839 218)	-	-	(839 218)	(1 041 492)	24.10%
Bulk Purchases	45.2.7	(10 056 220)	311 420	(9 744 800)	-	-	(9 744 800)	(8 294 689)	-14.88%
Other Materials		-	-	-	-	-	-	-	-
Contracted Services	45.2.7	(223 091)	(789 586)	(1 012 677)	-	-	(1 012 677)	(514 336)	-49.21%
Transfers and Grants		(65 382)	55 382	(10 000)	-	-	(10 000)	-	-100.00%
Other Expenditure	45.2.7	(17 770 618)	(10 816 815)	(28 587 433)	-	-	(28 587 433)	(21 666 205)	-24.21%
Loss on Disposal of PPE		-	-	-	-	-	-	-	-
Total Expenditure	45.2.7	(50 605 808)	(19 908 363)	(70 514 171)	-	-	(70 514 171)	(59 880 290)	-15.08%
Surplus/(Deficit)		(3 266 942)	(9 993 713)	(13 260 655)	-	-	(13 260 655)	(7 415 286)	-44.08%
Transfers Recognised - Capital	45.2.6	16 648 000	(5 969 256)	10 678 744	-	-	10 678 744	16 345 321	53.06%
Contributions Recognised - Capital		-	-	-	-	-	-	8 520	-
Contributed Assets		-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions		13 381 058	(15 962 969)	(2 581 911)	-	-	(2 581 911)	8 938 555	-446.20%
Taxation		-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation		13 381 058	(15 962 969)	(2 581 911)	-	-	(2 581 911)	8 938 555	-446.20%
Attributable to Minorities		-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality		13 381 058	(15 962 969)	(2 581 911)	-	-	(2 581 911)	8 938 555	-446.20%
Share of Surplus/(Deficit) of Associate		-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		13 381 058	(15 962 969)	(2 581 911)	-	-	(2 581 911)	8 938 555	-446.20%

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by- law)	Final Budget	Actual Outcome 2013	Actual Outcome as % of Final Budget
	R	R	R	R	R	R	R	%
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	32 367 608	(323 859)	32 043 749	-	-	32 043 749	24 923 897	-22.22%
Government - Operating	13 819 000	11 317 880	25 136 880	-	-	25 136 880	13 813 043	-45.05%
Government - Capital	16 648 000	(5 969 256)	10 678 744	-	-	10 678 744	16 345 321	53.06%
Interest	1 979 170	419 879	2 399 049	-	-	2 399 049	652 812	-72.79%
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and Employees	(42 107 187)	(10 189 818)	(52 297 005)	-	-	(52 297 005)	(30 844 457)	-41.02%
Finance Charges	(508 141)	(331 078)	(839 219)	-	-	(839 219)	(469 623)	-44.04%
Transfers and Grants	(8 817 392)	(55 382)	(8 872 774)	-	-	(8 872 774)	(13 435 331)	51.42%
Net Cash from/(used) Operating Activities	45.2.8	13 381 057	(5 131 634)	8 249 423	-	8 249 423	10 985 662	33.17%
CASH FLOW FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-
Decrease/(Increase) in Non-Current Debtors	-	-	-	-	-	-	-	-
Decrease/(Increase) in Other Non-Current Receivables	-	(14 462)	(14 462)	-	-	(14 462)	8 677	-160.00%
Decrease/(Increase) in Non-Current Investments	-	-	-	-	-	-	-	-
Payments								
Capital Assets	-	(11 241 944)	(11 241 944)	-	-	(11 241 944)	(15 739 304)	40.01%
Net Cash from/(used) Investing Activities	45.2.9	-	(11 256 406)	(11 256 406)	-	(11 256 406)	(15 730 627)	39.75%
CASH FLOW FROM FINANCING ACTIVITIES								
Receipts								
Short Term Loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	74 854	100.00%
Increase/(Decrease) in Consumer Deposits	-	66 588	66 588	-	-	66 588	46 341	-30.41%
Payments								
Repayment of Borrowing	-	(1 155 475)	(1 155 475)	-	-	(1 155 475)	(1 426 885)	23.49%
Net Cash from/(used) Financing Activities	45.2.10	-	(1 088 887)	(1 088 887)	-	(1 088 887)	(1 305 689)	19.91%
NET INCREASE/(DECREASE) IN CASH HELD		13 381 057	(17 476 927)	(4 095 869)	-	(4 095 869)	(6 050 654)	47.73%
Cash and Cash Equivalents at the year begin:		4 265 000	-	4 265 000	-	4 265 000	16 448 203	285.66%
Cash and Cash Equivalents at the year end:		17 646 057	(17 476 927)	169 131	-	169 131	10 397 548	6047.65%

INSERT ACCOUNTING POLICY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
2. NET ASSET RESERVES		
RESERVES	1 796 233	2 038 213
Capital Replacement Reserve	1 103 661	1 322 549
Housing Development Fund	692 572	715 664
Total Net Asset Reserve and Liabilities	1 796 233	2 038 213
2.1 The Capital Replacement Reserve is used to finance future capital expenditure from own funds.		
2.2 The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/(deficit) on the Housing Department in the Statement of Financial Performance is transferred to the Housing Development Fund.		
3. LONG TERM LIABILITIES		
Annuity Loans - At amortised cost	1 907 602	2 786 229
Capitalised Lease Liability - At amortised cost	1 725 880	2 111 815
Correction of Error - Note 39.9	-	87 468
	3 633 482	4 985 512
Less: Current Portion transferred to Current Liabilities	(944 248)	(1 400 407)
Annuity Loans - At amortised cost	(866 302)	(878 461)
Capitalised Lease Liability - At amortised cost	(77 946)	(505 059)
Correction of Error - Note 39.10	-	(16 887)
	2 689 234	3 585 105
Plus: Unamortised charges on loans	(93 933)	(197 432)
Balance 1 July	(197 432)	(335 372)
Adjustment for the period	103 499	137 940
Total Long-term Liabilities - At amortised cost using the effective interest rate method	2 595 300	3 387 673
	2013 R	2012 R
3.1 The obligations under finance leases are scheduled below:		Minimum payments
Amounts payable under finance leases:		
Payable within one year	806 158	767 255
Payable within two to five years	1 273 536	2 031 105
Payable after five years	-	-
	2 079 694	2 798 360
Less: Future finance obligations	(353 814)	(599 077)
Present value of finance lease obligations	1 725 880	2 199 283

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Nashua	Copiers	7% - 35%	0%	5 Years	30/04/2017
Nashua Mobile	3G Dongles	9%	0%	2 Years	30/09/2014
MTN	Samsung Tablets	9%	0%	2 Years	30/09/2014
Wesbank Corporate	Vehicles	10% - 13%	0%	5 Years	31/03/2017

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Hire Purchases and Leases are secured by property, plant and equipment - Note 12

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
4. NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfill-sites	5 943 427	5 607 362
Total Non-current Provisions	5 943 427	5 607 362
4.1 <u>Landfill Sites</u>		
Balance 1 July	5 607 362	5 887 058
Contribution for the year	336 420	325 391
Change in Provision for Rehabilitation Cost	(355)	(605 087)
Total provision 30 June	5 943 427	5 607 362
Less: Transfer of Current Portion to Current Provisions	-	-
Balance 30 June	5 943 427	5 607 362

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows

	Port Nolloth	Kuboes	Eksteensfontein	Lekkersing
Area (m²)	18 700	670	670	20 973
Rehabilitation volume (m³)	28 000	500	500	29 700
Fence (m)	-	240	240	710
Cost of fence (Rand)	-	116 600	116 600	344 942
Site Clearance (R40/m³)	530 000	15 900	15 900	583 000
Excavation cost (R40/m³)	3 127 000	145 220	145 220	3 629 440
Filling (R20/m²)	130 592	3 180	3 180	140 980
Preliminary and general (Rand)	568 139	42 135	42 135	704 754
Fees and expenses (Rand)	435 573	32 304	32 304	540 312

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows:

	Estimated decommission date	2013 R	2012 R
Location			
Port Nolloth	2022	8 094 807	8 137 764
Kuboes	2018	475 523	490 721
Eksteensfontein	2018	475 523	490 721
Lekkersing	2021	703 599	744 518
		9 749 452	9 863 724

5. NON-CURRENT EMPLOYEE BENEFITS		
Provision for Post Retirement Health Care Benefits	2 277 983	2 420 939
Provision for Long Service Awards	865 773	730 607
Total Non-current Employee Benefits	3 143 756	3 151 546
<u>Post Retirement Health Care Benefits</u>		
Balance 1 July	2 537 999	2 263 478
Contribution for the year	190 941	239 919
Expenditure for the year	(176 557)	(107 892)
Actuarial Loss/(Gain)	(145 856)	142 494
Total provision 30 June	2 406 527	2 537 999
Less: Transfer of Current Portion to Current Provisions - Note 7	(128 544)	(117 060)
Balance 30 June	2 277 983	2 420 939

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
<u>Long Service Awards</u>		
Balance 1 July	807 942	721 645
Contribution for the year	164 006	142 874
Expenditure for the year	(86 452)	(98 919)
Actuarial Loss/(Gain)	54 452	42 342
Total provision 30 June	939 948	807 942
Less: Transfer of Current Portion to Current Provisions - Note 7	(74 175)	(77 335)
Balance 30 June	865 773	730 607

5.1 **Provision for Post Retirement Health Care Benefits**

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	2	2
Continuation members (e.g. Retirees, widows, orphans)	3	3
Total Members	5	5

	2013 R	2012 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	755 434	973 461
Continuation members	1 651 093	1 564 538
Total Liability	2 406 527	2 537 999

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2011 R	2010 R	2009 R
In-service members	827 722	622 119	751 061
Continuation members	1 435 756	1 458 483	1 185 853
Total Liability	2 263 478	2 080 602	1 936 914

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

LA Health

The Current-service Cost for the ensuing year is estimated to be R42 328, whereas the Interest Cost for the next year is estimated to be R186 157.

	2013 %	2012 %
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	8.21	7.50
Health Care Cost Inflation Rate	7.59	6.83
Net Effective Discount Rate	0.58	0.63

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 65 years.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2 406 527	2 537 999
Fair value of plan assets	-	-
	<u>2 406 527</u>	<u>2 537 999</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	<u>2 406 527</u>	<u>2 537 999</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	2 537 999	2 263 478
Total expenses	14 384	132 027
Current service cost	4 784	52 863
Interest Cost	186 157	187 056
Benefits Paid	(176 557)	(107 892)
Actuarial (gains)/losses	(145 856)	142 494
Present value of fund obligation at the end of the year	<u>2 406 527</u>	<u>2 537 999</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

Sensitivity Analysis on the Accrued Liability

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption				
Central Assumptions	0.755	1.651	2.407	

The effect of movements in the assumptions are as follows:

	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption					
Health care inflation	1%	0.884	1.800	2.684	12%
Health care inflation	-1%	0.650	1.519	2.169	-10%
Post-retirement mortality	-1 year	0.785	1.727	2.511	4%
Average retirement age	-1 year	0.846	1.651	2.497	4%
Withdrawal Rate	-50%	0.786	1.651	2.437	1%

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation	1%	6 300	208 000	214 300	12%
Health care inflation	-1%	3 700	167 500	171 200	-10%
Post-retirement mortality	-1 year	5 000	194 000	199 000	4%
Average retirement age	-1 year	5 200	186 800	192 000	1%
Withdrawal Rate	-50%	6 100	188 300	194 400	2%

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 Rm	2012 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	2.407	2.538
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2011 Rm	2010 Rm	2009 Rm
Liabilities: (Gain) / loss	2.263	2.081	1.937
Assets: Gain / (loss)	-	-	-

5.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 111 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R85 956 whereas the Interest Cost for the next year is estimated to be R64 548.

	2013 %	2012 %
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	7.14	6.40
General Salary Inflation (long-term)	6.74	5.97
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.38	0.41

	2013 R	2012 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	939 948	807 942
Fair value of plan assets	-	-
	<u>939 948</u>	<u>807 942</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	<u>939 948</u>	<u>807 942</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	807 942	721 645
Total expenses	77 554	43 955
Current service cost	114 714	93 262
Vested past service cost	-	-
Interest Cost	49 292	49 612
Benefits Paid	(86 452)	(98 919)
Actuarial (gains)/losses	54 452	42 342
Present value of fund obligation at the end of the year	<u>939 948</u>	<u>807 942</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		0.940	
General salary inflation	1%	0.999	6%
General salary inflation	-1%	0.886	-6%
Average retirement age	-2 yrs	0.839	-11%
Average retirement age	2 yrs	1.059	13%
Withdrawal rates	-50%	1.102	17%

	2013 Rm	2012 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	0.939	0.807
Assets: Gain / (loss)	-	-

The municipality performed their first actuarial valuation on 30 June 2011. Thus there are no experience adjustment figures available on or before 30 June 2011 to fully comply with GRAP 25.

5.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

	2013 R	2012 R
<u>CAPE JOINT RETIREMENT FUND</u>		
The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2012 revealed that the fund is in a sound financial position with a funding level of 108,0% (30 June 2011 - 116,9%).		
Contributions paid recognised in the Statement of Financial Performance	248 917	188 127

DEFINED CONTRIBUTION FUNDS

Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

SAMWU National Provident Fund	1 256 157	1 138 342
	1 256 157	1 138 342

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
6. CONSUMER DEPOSITS		
Water and Electricity	762 929	716 588
Total Consumer Deposits	762 929	716 588

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

7. CURRENT EMPLOYEE BENEFITS

Staff Bonuses	501 873	423 765
Staff Leave	1 092 349	829 066
Current Portion of Non-Current Provisions	202 719	194 395
Current Portion of Post Retirement Benefits - Note 5	128 544	117 060
Current Portion of Long-Service Provisions - Note 5	74 175	77 335
Total Provisions	1 796 942	1 447 226

The movement in current provisions are reconciled as follows:

7.1 Staff Bonuses

Balance at beginning of year	423 765	409 579
Contribution to current portion	866 179	716 638
Expenditure incurred	(788 070)	(702 452)
Balance at end of year	501 873	423 765

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

7.2 Staff Leave

Balance at beginning of year	829 066	818 156
Contribution to current portion	302 273	104 342
Expenditure incurred	(38 990)	(93 431)
Balance at end of year	1 092 349	829 066

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

8. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	6 062 006	1 997 146
Payments received in advance	281 186	349 339
Retentions	1 020 081	68 573
Other Creditors	149 879	2 192
Deposits: Other	231 314	208 408
Correction of Error - Note 39.3	-	624 678
Total Trade Payables	7 744 465	3 250 337

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
9. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS		
Unspent Grants	2 450 908	9 860 843
National Government Grants	118 029	7 940 031
Provincial Government Grants	2 332 181	1 732 935
Other Sources	698	1 506
Correction of Error - Note 39.6	-	186 371
Less: Unpaid Grants	(0)	(2 706)
National Government Grants	(0)	(2 706)
District Municipality	-	(143 241)
Correction of Error - Note 39.4	-	143 241
Total Conditional Grants and Receipts	2 450 908	9 858 137

See appendix "D" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

10. TAXES

10.1 VAT Receivable	3 146 918	2 053 777
Correction of Error - Note 39.8	-	79 978
Total Taxes	3 146 918	2 133 754

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

11. SHORT-TERM LOANS

The Municipality has no short term loans.

		2013 R	2012 R
12.	PROPERTY, PLANT AND EQUIPMENT		
	See attached sheet		
	page 1		

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
12.3 Assets pledged as security:		
Leased Property, Plant and Equipment of R588 627 (2012: R857 084) is secured for leases as set out in Note 3.		
13. INVESTMENT PROPERTY		
Net Carrying amount at 1 July	49 937 933	47 691 628
Cost	50 009 819	47 757 780
Accumulated Depreciation	(71 886)	(66 152)
Transfer from Property, Plant and Equipment to Investment Properties	-	2 449 000
Impairment	-	(196 961)
Depreciation for the year	(3 765)	(5 734)
Net Carrying amount at 30 June	49 934 168	49 937 933
Cost	50 009 819	50 009 819
Accumulated Depreciation	(75 651)	(71 886)
14. INTANGIBLE ASSETS		
Net Carrying amount at 1 July	225 855	307 393
Cost	547 629	541 826
Accumulated Amortisation	(321 773)	(234 433)
Acquisitions	14 790	5 803
Amortisation	(65 188)	(108 897)
Amortisation written back on disposal	-	30 793
Impairment Loss/ Reversal of Impairment Loss	(54 806)	(9 236)
Net Carrying amount at 30 June	120 651	225 855
Cost	562 418	547 629
Accumulated Amortisation	(441 767)	(321 773)
No intangible asset were asessed having an indefinite useful life.		
There are no internally generated intangible assets at reporting date.		
There are no intangible assets whose title is restricted.		
There age no intangible assets pledged as security for liabilities.		
There are no contractual commitments for the acquisition of intangible assets.		
15. LONG TERM RECEIVABLES		
Housing Loans - At amortised cost	225 785	234 462
Less: Current portion transferred to current receivables	(9 513)	(10 175)
Total Long Term Receivables	216 272	224 287
16. INVENTORY		
Maintenance Materials - At cost	22 826	316 445
Water - At purification cost	10 962	5 893
Correction of Error - Note 39.2	-	(259 907)
Total Inventory	33 787	62 431
The municipality recognised only purification costs in respect of non-purchased purified water inventory.		
Inventory recognise as an expense during the year.	482 900	897 343
Consumable stores materials written down due to losses as identified during the annual stores counts.	177 668	1 607

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
17. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	1 906 706	1 646 481
Water	10 062 684	8 428 833
Housing Rentals	212 222	214 667
Refuse	7 257 567	6 275 306
Sewerage	6 154 906	5 473 360
Other Arrears	7 011 601	6 806 810
Correction of Error - Note 39.5	-	(35 999)
Total: Receivables from exchange transactions (before provision)	32 605 686	28 809 458
Provision for Impairments	(31 210 426)	(27 218 819)
Total: Receivables from exchange transactions (after provision)	1 395 260	1 590 639

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

(Electricity): Ageing

Current (0 - 30 days)	312 890	260 382
31 - 60 Days	91 868	85 468
61 - 90 Days	47 444	53 450
+ 90 Days	1 454 504	1 247 181
Total	1 906 706	1 646 481

(Water): Ageing

Current (0 - 30 days)	320 200	258 562
31 - 60 Days	227 432	213 462
61 - 90 Days	203 821	197 845
+ 90 Days	9 311 231	7 758 964
Total	10 062 684	8 428 833

(Housing): Ageing

Current (0 - 30 days)	49	(910)
31 - 60 Days	1 157	1 157
61 - 90 Days	1 157	1 157
+ 90 Days	209 859	213 263
Total	212 222	214 667

(Refuse): Ageing

Current (0 - 30 days)	192 725	131 642
31 - 60 Days	147 903	142 771
61 - 90 Days	139 976	144 770
+ 90 Days	6 776 963	5 856 123
Total	7 257 567	6 275 306

(Sewerage): Ageing

Current (0 - 30 days)	146 236	104 185
31 - 60 Days	118 636	118 463
61 - 90 Days	112 945	121 672
+ 90 Days	5 777 089	5 129 040
Total	6 154 906	5 473 360

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
<u>(Other): Ageing</u>		
Current (0 - 30 days)	275 387	322 402
31 - 60 Days	42 855	152 492
61 - 90 Days	44 680	42 861
+ 90 Days	6 648 677	6 289 055
Total	7 011 599	6 806 810

<u>(Total): Ageing</u>		
Current (0 - 30 days)	1 247 487	1 076 263
31 - 60 Days	629 851	713 813
61 - 90 Days	550 023	561 755
+ 90 Days	30 178 323	26 457 627
Total	32 605 684	28 809 458

Reconciliation of Provision for Bad Debts

Balance at beginning of year	27 218 819	27 113 672
Contribution to provision	3 593 143	2 524 642
VAT on provision	503 040	353 450
Bad Debts written off against provision	(104 576)	(2 772 945)
Balance at end of year	31 210 426	27 218 819

The total amount of this provision is R33 701 152 and consist of:

Services	24 551 020	21 186 663
Other Debtors	6 659 407	6 032 156
Total Provision for Bad Debts on Receivables from exchange transactions	31 210 426	27 218 819

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

18. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	10 035 612	7 990 979
Other Receivables	202 847	75 117
Correction of Error - Note 39.1	-	68 843
	10 238 459	8 134 939
Less: Provision for bad debts	(9 626 619)	(7 685 789)
Total Receivables from non-exchange transactions	611 840	449 150

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
<u>(Rates): Ageing</u>		
Current (0 - 30 days)	130 108	75 360
31 - 60 Days	98 298	136 103
61 - 90 Days	89 504	93 727
+ 90 Days	9 717 702	7 685 789
Total	10 035 612	7 990 979

Reconciliation of Provision for Bad Debts

Balance at beginning of year	7 685 789	5 827 193
Contribution to provision	1 972 949	2 268 675
Bad Debts written off against provision	(32 119)	(410 079)
Balance at end of year	9 626 619	7 685 789

The total amount of this provision is R9 626 619 and consist of:

Taxes	9 626 619	7 685 789
Other	-	-
Total Provision for Bad Debts on Trade Receivables from non-exchange transactions	9 626 619	7 685 789

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

19. OPERATING LEASE ARRANGEMENTS

19.1 The Municipality as Lessor

Operating Lease Asset	14 753	17 469
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Reconciliation

Balance at the beginning of the year	17 469	19 957
Movement during the year	(2 717)	(2 488)
Balance at the end of the year	14 752	17 469

At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:

Up to 1 Year	35 213	32 246
1 to 5 Years	176 368	161 509
More than 5 Years	563 040	613 112
Total Operating Lease Arrangements	774 621	806 867

This operating lease expenditure determined from contracts that have a specific condition expenditure and does not include leases which has a undetermined conditional expenditure.

This operating lease income determined from contracts that have a specific condition income. Property is rent at market related tariffs with a annual increase of 9%. The operating lease agreement expires in 2026.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
20. BANK ACCOUNTS		
20.1 Cash and Cash Equivalents		
Current Accounts	1 039 289	421 196
Call Investments Deposits	9 357 780	16 026 627
Cash Floats	480	380
Total Cash and Cash Equivalents - Assets	10 397 550	16 448 203

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

The municipality has the following bank accounts:

Current Accounts

First National Bank - Account Number 534 7183 1653 (Primary Bank Account):	1 039 289	421 196
	1 039 289	421 196

Call Investment Deposits

First National Bank - Account Number 620 2169 3587 (Vegetables Account):	1 605	6 699
First National Bank - Account Number 620 3227 5689 (MSP Water Meters Account):	336 901	420 538
First National Bank - Account Number 620 3384 2396 (IDP Account):	-	-
First National Bank - Account Number 620 4518 7706 (Social/Aids Account):	49 669	256 726
First National Bank - Account Number 620 6266 9521 (Equitable Share Account):	2 117	4 062
First National Bank - Account Number 620 6874 1357 (8 Mile Bulk Water Account):	-	41 169
First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):	738 939	801 431
First National Bank - Account Number 620 7204 0555 (FMG Account):	30 153	90 203
First National Bank - Account Number 620 7629 6188 (NDFT Account):	-	-
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):	289 039	283 460
First National Bank - Account Number 620 9751 6979 (Flood Dam Kuboes Account):	236 363	250 148
First National Bank - Account Number 620 9751 7571 (CRR Account):	1 103 661	1 322 549
First National Bank - Account Number 620 9851 7190 (EPWP Account):	-	55 119
First National Bank - Account Number 621 1760 8581 (Dev. Housing Account):	25 432	25 179
First National Bank - Account Number 620 5079 2721 (EFT/DBSA Account):	78 687	2 439 384
First National Bank - Account Number 620 7643 7253 (Water Bulk Shand Account):	337 375	337 410
First National Bank - Account Number 621 3757 8433 (Projects Account):	372 841	367 704
First National Bank - Account Number 742 7763 6667 (Assets Financing Account):	409 675	390 126
First National Bank - Account Number 621 3757 7782 (Grants and Subsidies Account):	169 099	298 511
First National Bank - Account Number 622 3714 1099 (Library Account):	267 659	244 945
First National Bank - Account Number 622 7711 8313 (MIG Account):	3 141 028	8 388 672
First National Bank - Account Number 621 0271 7555 (Sundry Grants Account):	-	2 594
First National Bank - Account Number 623 7083 3115 (Integrated National Electrification):	414 216	-
First National Bank - Account Number 623 6607 3840 (NC Harbour Grant):	1 353 323	-
	9 357 780	16 026 627

Details of bank accounts are as follow:

First National Bank - Account Number 534 7183 1653 (Primary Bank Account):

Cash book balance at beginning of year	421 196	172 455
Cash book balance at end of year	1 039 289	421 196
Bank statement balance at beginning of year	330 905	172 455
Bank statement balance at end of year	987 600	330 905

First National Bank - Account Number 620 2169 3587 (Vegetables Account):

Cash book balance at beginning of year	6 699	6 699
Cash book balance at end of year	1 605	6 699
Bank statement balance at beginning of year	6 699	6 699
Bank statement balance at end of year	1 605	6 699

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
First National Bank - Account Number 620 3227 5689 (MSP Water Meters Account):		
Cash book balance at beginning of year	420 538	430 109
Cash book balance at end of year	336 901	420 538
Bank statement balance at beginning of year	420 538	430 109
Bank statement balance at end of year	336 901	420 538
First National Bank - Account Number 620 3384 2396 (IDP Account):		
Cash book balance at beginning of year	-	58 742
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	58 742
Bank statement balance at end of year	-	-
First National Bank - Account Number 620 4518 7706 (Social/Aids Account):		
Cash book balance at beginning of year	256 726	295 710
Cash book balance at end of year	49 669	256 726
Bank statement balance at beginning of year	256 726	295 710
Bank statement balance at end of year	49 669	256 726
First National Bank - Account Number 620 6266 9521 (Equitable Share Account):		
Cash book balance at beginning of year	4 062	917 512
Cash book balance at end of year	2 117	4 062
Bank statement balance at beginning of year	4 062	917 512
Bank statement balance at end of year	2 117	4 062
First National Bank - Account Number 620 6874 1357 (8 Mile Bulk Water Account):		
Cash book balance at beginning of year	41 169	41 169
Cash book balance at end of year	-	41 169
Bank statement balance at beginning of year	41 169	41 169
Bank statement balance at end of year	-	41 169
First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):		
Cash book balance at beginning of year	801 431	721 200
Cash book balance at end of year	738 939	801 431
Bank statement balance at beginning of year	801 431	721 200
Bank statement balance at end of year	738 939	801 431
First National Bank - Account Number 620 7204 0555 (FMG Account):		
Cash book balance at beginning of year	90 203	430 597
Cash book balance at end of year	30 153	90 203
Bank statement balance at beginning of year	90 203	430 597
Bank statement balance at end of year	30 153	90 203
First National Bank - Account Number 620 7629 6188 (NDFT Account):		
Cash book balance at beginning of year	-	1 010
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	1 010
Bank statement balance at end of year	-	-
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):		
Cash book balance at beginning of year	283 460	276 709
Cash book balance at end of year	289 039	283 460
Bank statement balance at beginning of year	283 460	276 709
Bank statement balance at end of year	289 039	283 460

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
First National Bank - Account Number 620 9751 6979 (Flood Dam Kuboes Account):		
Cash book balance at beginning of year	250 148	250 148
Cash book balance at end of year	236 363	250 148
Bank statement balance at beginning of year	250 148	250 148
Bank statement balance at end of year	236 363	250 148
First National Bank - Account Number 620 9751 7571 (CRR Account):		
Cash book balance at beginning of year	1 322 549	1 330 923
Cash book balance at end of year	1 103 661	1 322 549
Bank statement balance at beginning of year	1 322 549	1 330 923
Bank statement balance at end of year	1 103 661	1 322 549
First National Bank - Account Number 620 9851 7190 (EPWP Account):		
Cash book balance at beginning of year	55 119	169 764
Cash book balance at end of year	-	55 119
Bank statement balance at beginning of year	55 119	169 764
Bank statement balance at end of year	-	55 119
First National Bank - Account Number 621 1760 8581 (Dev. Housing Account):		
Cash book balance at beginning of year	25 179	33 940
Cash book balance at end of year	25 432	25 179
Bank statement balance at beginning of year	25 179	33 940
Bank statement balance at end of year	25 432	25 179
First National Bank - Account Number 620 5079 2721 (EFT/DBSA Account):		
Cash book balance at beginning of year	2 439 384	2 499 597
Cash book balance at end of year	78 687	2 439 384
Bank statement balance at beginning of year	2 439 384	2 499 597
Bank statement balance at end of year	78 687	2 439 384
First National Bank - Account Number 620 7643 7253 (Water Bulk Shand Account):		
Cash book balance at beginning of year	337 410	336 720
Cash book balance at end of year	337 375	337 410
Bank statement balance at beginning of year	337 410	336 720
Bank statement balance at end of year	337 375	337 410
First National Bank - Account Number 621 3757 8433 (Projects Account):		
Cash book balance at beginning of year	367 704	113 710
Cash book balance at end of year	372 841	367 704
Bank statement balance at beginning of year	367 704	113 710
Bank statement balance at end of year	372 841	367 704
First National Bank - Account Number 742 7763 6667 (Assets Financing Account):		
Cash book balance at beginning of year	390 126	369 684
Cash book balance at end of year	409 675	390 126
Bank statement balance at beginning of year	390 126	369 684
Bank statement balance at end of year	409 675	390 126
First National Bank - Account Number 621 3757 7782 (Grants and Subsidies Account):		
Cash book balance at beginning of year	298 511	147 282
Cash book balance at end of year	169 099	298 511
Bank statement balance at beginning of year	298 511	147 282
Bank statement balance at end of year	169 099	298 511

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
First National Bank - Account Number 622 3714 1099 (Library Account):		
Cash book balance at beginning of year	244 945	52 395
Cash book balance at end of year	267 659	244 945
Bank statement balance at beginning of year	244 945	52 395
Bank statement balance at end of year	267 659	244 945
First National Bank - Account Number 622 7711 8313 (MIG Account):		
Cash book balance at beginning of year	8 388 672	3 525 690
Cash book balance at end of year	3 141 028	8 388 672
Bank statement balance at beginning of year	8 388 672	3 525 690
Bank statement balance at end of year	3 141 028	8 388 672
First National Bank - Account Number 621 0271 7555 (Sundry Grants Account):		
Cash book balance at beginning of year	2 594	6 883
Cash book balance at end of year	-	2 594
Bank statement balance at beginning of year	2 594	6 883
Bank statement balance at end of year	-	2 594
First National Bank - Account Number 623 7083 3115 (Integrated National Electrification):		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	414 216	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	414 216	-
First National Bank - Account Number 623 6607 3840 (NC Harbour Grant):		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	1 353 323	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	1 353 323	-

21. PROPERTY RATES

Actual

Rateable Land and Buildings

	7 166 981	6 856 823
Residential Property	5 872 893	5 611 418
Commercial Property	1 023 092	984 919
Industrial Property	39 732	38 203
Agricultural Purposes	101 377	97 482
State - National/ Provincial Services	129 887	124 801

Total Assessment Rates

7 166 981 6 856 823

Valuations - 1 July 2012

Rateable Land and Buildings

	960 967 658	954 353 878
Residential Property	743 341 185	737 298 405
Commercial Property	103 422 043	102 889 043
Industrial Property	3 857 600	3 857 600
Agricultural Purposes	88 539 130	88 539 130
State - National/ Provincial Services	21 807 700	21 769 700

Total Assessment Rates

960 967 658 954 353 878

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Valuations - 1 July 2012

	Building Clause Valuation	Site Valuation	Building Valuation	Total Valuation
Domestic	36 007 000	-	707 334 185	743 341 185
Commercial	178 000	-	103 244 043	103 422 043
Light Industrial	103 000	-	3 754 600	3 857 600
Agricultural/Rural		-	88 539 130	88 539 130
State	38 000	-	21 769 700	21 807 700
Total Property Valuations	36 326 000	-	924 641 658	960 967 658

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2009. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development

Basic Rate

Residential	0.7458c/R
Commercial and Industrial	0.9898c/R
Government	0.7458c/R
Agriculture	0.1145c/R

Rates are levied annually and monthly. Monthly rates are payable by the 7th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Rebates were granted on land with buildings used solely for dwellings purposes as follows

Residential	- The first R15 000 on the valuation is exempted.
Pensioners	- 33,3%
Government -	- 20%

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

22. GOVERNMENT GRANTS AND SUBSIDIES

Unconditional

Equitable Share	13 362 000	10 415 000
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Conditional

Grants and Donations	24 152 516	5 681 514
Correction of Error - Note 39.9	-	(186 371)

Total Government Grants and Subsidies	37 565 593	16 096 514
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Government Grants and Subsidies - Operating	21 220 273	15 808 622
Government Grants and Subsidies - Capital	16 345 321	287 892
Total Government Grants and Subsidies	37 565 593	16 096 514

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	13 362 000	10 415 000
Executive & Council	5 470 762	-
Budget & Treasury	1 168 365	1 757 408
Corporate Services	10 465 181	2 245 520
Community & Social Services	1 338 104	1 508 685
Sport & Recreation	1 270 852	-
Road Transport	2 660 028	157 835
Water	377 417	12 066
Electricity	1 401 809	-
Total Government Grants and Subsidies	37 565 593	16 096 514
22.1 <u>Equitable Share</u>		
Opening balance	-	-
Grants received	13 362 000	10 415 000
Conditions met - Operating	(13 362 000)	(10 415 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
22.2 <u>Local Government Financial Management Grant (FMG)</u>		
Opening balance	32 359	409 758
Grants received	1 500 000	1 450 000
Repaid to National Revenue Fund	(363 994)	(10 000)
Conditions met - Operating	(1 042 607)	(1 777 602)
Conditions met - Capital	(125 758)	(39 797)
Conditions still to be met	0	32 359
The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
22.3 <u>Municipal Systems Improvement Grant (MSIG)</u>		
Opening balance	(2 706)	29 210
Grants received	800 000	790 000
Repaid to National Revenue Fund	-	(228 000)
Conditions met - Operating	(797 294)	(431 570)
Conditions met - Capital	-	(162 346)
Conditions still to be met	-	(2 706)
The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
22.4 <u>Municipal Infrastructure Grant (MIG)</u>		
Opening balance	7 907 672	2 120 006
Grants received	8 628 000	7 113 000
Repaid to National Revenue Fund	(2 120 006)	(481 000)
Conditions met - Operating	-	(783 476)
Conditions met - Capital	(14 415 666)	(60 858)
Conditions still to be met	(0)	7 907 672
The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
22.5 Sport Grant		
Opening balance	3 471	3 471
Grants received	-	-
Conditions met - Operating	(3 471)	-
Conditions met - Capital	-	-
Conditions still to be met	-	3 471
The grant was used to build sport infrastructure.		
22.6 Library Grant		
Opening balance	205 759	14 015
Grants received	706 000	558 000
Conditions met - Operating	(709 461)	(362 836)
Conditions met - Capital	-	(3 420)
Conditions still to be met	202 298	205 759
The grant was used to finance library activities.		
22.7 Arts & Culture Grant (Cultural Groups)		
Opening balance	49	49
Grants received	-	-
Conditions met - Operating	(49)	-
Conditions met - Capital	-	-
Conditions still to be met	-	49
The grant was used to facilitate cultural groups.		
22.8 Housing Grant		
Opening balance	366 689	1 633
Correction of Error - Note 39.6	-	186 371
Grants received	-	1 295 423
Interest received	7 166	3 452
Conditions met - Operating	(1 015)	(1 120 190)
Conditions met - Capital	-	-
Conditions still to be met	372 841	366 689
The Housing grant was utilised for the development of erven and the erection of top structures.		
22.9 Public Works Grant (Work Creation)		
Opening balance	-	157 835
Grants received	-	-
Conditions met - Operating	-	(157 835)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The grant was used to develop infrastructure.		
22.10 CoGTA Grant (Flood Damage Kuboes)		
Opening balance	250 147	250 147
Grants received	-	-
Conditions met - Operating	(64 884)	-
Conditions met - Capital	-	-
Conditions still to be met	185 263	250 147
The grant was used to perform maintenance in flood damage areas.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
22.11 CoGTA Grant (MSP Watermeter)		
Opening balance	413 877	430 021
Grants received	-	-
Interest Received	-	4 124
Conditions met - Operating	(570)	(8 203)
Conditions met - Capital	(408 720)	(12 066)
Conditions still to be met	<u>4 587</u>	<u>413 877</u>
The grant was used to install water meters.		
22.12 CoGTA Grant (Sizamile Vegetable)		
Opening balance	1 583	1 583
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>1 583</u>	<u>1 583</u>
The grant was used to establish vegetable gardens.		
22.13 CoGTA Grant (Social Plan)		
Opening balance	-	5 116
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	(5 116)
Conditions still to be met	<u>-</u>	<u>-</u>
The grant was used to develop a social plan.		
22.14 CoGTA Grant (Water Bulk Supply - 8 Mile)		
Opening balance	41 169	41 169
Grants received	-	-
Conditions met - Operating	(41 169)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>41 169</u>
The grant was used to develop water infrastructure.		
22.15 CoGTA Grant (Water Bulk Supply - Ninham Shand)		
Opening balance	336 720	336 720
Grants received	584 838	-
Conditions met - Operating	(346 374)	-
Conditions met - Capital	(313 254)	-
Conditions still to be met	<u>261 930</u>	<u>336 720</u>
The grant was used to develop water infrastructure.		
22.16 CoGTA Grant (Pula Nala)		
Opening balance	41 952	35 645
Grants received	-	325 000
Conditions met - Operating	(41 952)	(318 694)
Conditions met - Capital	-	-
Conditions still to be met	<u>(0)</u>	<u>41 952</u>
The grant was used for job creation.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
22.17 <u>CoGTA Grant (Water Bulk Infrastructure)</u>		
Opening balance	257 892	289 567
Grants received	-	35 611
Conditions met - Operating	(257 892)	(67 286)
Conditions met - Capital	-	-
Conditions still to be met	0	257 892
The grant was used to develop water infrastructure.		
22.18 <u>Namakwa District Municipality Grant</u>		
Opening balance	-	58 742
Correction of Error - Note 39.4	-	143 241
Grants received	679 698	348 663
Conditions met - Operating	(679 698)	(550 646)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The grant was used for various projects identified by Namakwa District Municipality.		
22.19 <u>NDFT Grant</u>		
Opening balance	-	615
Grants received	-	-
Conditions met - Operating	-	(615)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The grant was used for various projects identified by Namakwaland Diamond Fund Trust.		
22.20 <u>NDFT Grant (CDW's)</u>		
Opening balance	602	4 891
Grants received	-	-
Conditions met - Operating	(602)	-
Conditions met - Capital	-	(4 289)
Conditions still to be met	0	602
The grant was used for various projects identified by Namakwaland Diamond Fund Trust.		
22.21 <u>Stuwig Alch AB Grant</u>		
Opening balance	-	1 039
Grants received	-	-
Conditions met - Operating	-	(1 039)
Conditions met - Capital	-	-
Conditions still to be met	-	-
22.22 <u>Alexcor Culfest Grant</u>		
Opening balance	904	904
Grants received	-	-
Conditions met - Operating	(904)	-
Conditions met - Capital	-	-
Conditions still to be met	-	904
The grant was used for heritage activities.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
22.23 <u>Integrated National Electrification</u>		
Opening balance	-	-
Grants received	1 200 000	-
Conditions met - Operating	-	-
Conditions met - Capital	(1 081 922)	-
Conditions still to be met	118 078	-
The grant was used to erect electricity infrastructure.		
22.24 <u>Harbour Grant</u>		
Opening balance	-	-
Grants received	5 072 660	-
Conditions met - Operating	(3 769 029)	-
Conditions met - Capital	-	-
Conditions still to be met	1 303 631	-
The grant was used to upgrade the Port Nolloth harbour.		
22.25 <u>De Beers</u>		
Opening balance	-	-
Grants received	102 001	-
Conditions met - Operating	(101 303)	-
Conditions met - Capital	-	-
Conditions still to be met	698	-
The grant was used for various projects identified by De Beers.		
22.26 <u>Total Grants</u>		
Opening balance	9 858 138	4 192 138
Correction of Error - Note 39.4 & 39.6	-	329 612
Grants received	32 635 198	22 330 697
Repaid to National Revenue Fund	(2 484 000)	(719 000)
Interest received	7 166	7 576
Conditions met - Operating	(21 220 273)	(15 994 993)
Conditions met - Capital	(16 345 321)	(287 892)
Conditions still to be met/(Grant expenditure to be recovered)	2 450 908	9 858 138
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	2 450 908	9 860 844
Unpaid Conditional Government Grants and Receipts	-	(2 706)
Total	2 450 908	9 858 138
23. PUBLIC CONTRIBUTIONS AND DONATIONS		
Donations	8 520	102 211
Total Public Contributions and Donations	8 520	102 211
24. SERVICE CHARGES		
Electricity	7 065 950	7 231 000
Water	5 235 941	4 902 315
Refuse Removal	2 383 697	2 257 879
Sewerage and Sanitation Charges	2 078 535	1 964 094
Correction of Error - Note 39.9	-	(41 469)
Total Service Charges	16 764 123	16 313 818

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
25. RENTAL OF FACILITIES AND EQUIPMENT		
Rental of facilities	288 103	318 012
Rental of equipment	3 350	37 856
Other rentals	1 253 741	1 050 768
Total Rental of Facilities and Equipment	1 545 194	1 406 635
26. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	652 812	612 801
Total Interest Earned - External Investments	652 812	612 801
27. INTEREST EARNED - OUTSTANDING RECEIVABLES		
Long-term Receivables	253	259
Trade Receivables	1 604 037	1 472 153
Total Interest Earned - Outstanding Receivables	1 604 289	1 472 412
28. OTHER INCOME		
Christmans Lights Festival	169 678	495 081
Commission	14 460	13 654
Grave Lots	6 313	5 102
Grazing Fees	186 933	183 979
Insurance claims	690	9 510
Lost Books	688	137
Other	49 227	81 505
Photostats	11 870	14 331
Posters	3 295	2 754
Search Fees	5 146	5 333
Surplus Cash	337	74
Survey Costs	1 579	3 444
VAT 48	1 776 540	326 027
VAT 49	-	5 500
Correction of Error - Note 39.9	-	1 499
Total Other Income	2 226 756	1 147 929
29. EMPLOYEE RELATED COSTS		
Employee Related Costs - Salaries and Wages	11 168 545	9 078 253
Employee Related Costs - Contributions for Medical Aids	347 581	345 937
Employee Related Costs - Contributions for UIF and Pensions	1 572 767	1 382 173
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	484 907	493 218
Housing Benefits and Allowances	109 064	33 844
Overtime Payments	663 852	497 102
Bonuses	866 179	716 638
Provision for leave	302 273	104 342
Contribution to provision - Long Service Awards - Note 5	114 714	93 262
Contribution to provision - Post Retirement Medical - Note 5	4 784	52 863
Correction of Error - Note 39.9	-	(205 494)
Total Employee Related Costs	15 634 666	12 592 137

KEY MANAGEMENT PERSONNEL

Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Remuneration of the Municipal Manager - Mrs D Farmer (current)		
Annual Remuneration	203 538	-
Travelling Allowance	62 475	-
Other Allowance	84 525	-
Performance Bonus	-	-
Contributions to UIF, Medical and Pension Funds	1 041	-
Total	351 579	-
Remuneration of the Municipal Manager - Mr J G Cloete (former)		
Annual Remuneration	-	147 892
Travelling Allowance	-	-
Car Allowance	-	36 973
Telephone Allowance	-	4 063
Annual Bonus	-	27 113
Performance Bonus	-	28 917
Leave Gratuity	-	59 630
Contributions to UIF, Medical and Pension Funds	-	38 385
Total	-	342 973

30. **REMUNERATION OF COUNCILLORS**

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	439 559	146 519	38 254	-	624 332
Councillors	923 069	307 692	125 789	-	1 356 550
Total Councillors' Remuneration	1 362 628	454 211	164 043	-	1 980 882

	2013 R	2012 R
Remuneration paid to councillors were as follow:		
AM Jansen - Mayor	624 332	591 788
LR Ambrosini	193 734	183 632
G Beukes - Councillor	193 734	183 632
CF Richter - Councillor	193 734	183 632
E Hausiku - Councillor	193 734	183 632
WJP Links - Councillor	193 734	183 632
J Isaacs - Councillor	412	143 258
T Swartbooi - Councillor	193 734	12 578
J Pretorius - Councillor	193 734	183 632
Total Councillors' Remuneration	1 980 882	1 849 416

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

.....
Signed: Municipal Manager

31. **DEBT IMPAIRMENT**

Receivables from exchange transactions - Note 17	4 096 183	2 878 092
Receivables from non-exchange transactions - Note 18	1 972 949	2 268 675
	6 069 132	5 146 767
Less: VAT Portion on Debt Impairment	(503 040)	(353 450)
Total Debt Impairment	5 566 092	4 793 318

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
32. DEPRECIATION AND AMORTISATION		
Property, plant and equipment	4 352 318	6 141 815
Intangible assets	65 188	108 897
Investment property carried at cost	3 765	5 733
Correction of Error - Note 39.9	-	3 052
Total Depreciation and Amortisation	4 421 272	6 259 497
33. FINANCE COSTS		
Long-term Liabilities	465 768	474 075
Non-current Provisions	336 420	325 391
Non-current Employee Benefits	235 449	236 668
Creditors	3 855	121
Total Finance Costs	1 041 492	1 036 255
34. BULK PURCHASES		
Electricity	7 140 247	6 229 962
Water	1 154 442	1 053 138
Total Bulk Purchases	8 294 689	7 283 099
35. OTHER OPERATING GRANT EXPENDITURE		
Operating Grant Expenditure per Vote		
Executive & Council	116 887	20 429
Budget & Treasury	2 584 486	3 060 100
Corporate Services	15 623	862 666
Health	-	45 280
Community & Social Services	711 123	182 141
Road Transport	6 304 411	157 835
Water	2 197 289	1 854 558
Electricity	1 505 511	413 697
Correction of Error - Note 39.9	-	(43 129)
Total Operating Grant Expenditure	13 435 331	6 553 577
36. GENERAL EXPENSES		
Advertising	43 174	79 446
Audit Fees	1 459 397	1 276 349
Bank Charges	111 649	110 989
Christmas Lights Festival	858 317	716 483
Cleaning Materials	99 132	83 960
Computer Licences	257 603	190 490
Congres/Deputation Costs	4 000	-
Entertainment	58 229	24 421
Environmental Electricity Levy	319 193	168 756
Fire Extinguishing Materials	6 195	-
Fuel Vehicles	600 937	709 523
Insurance	408 863	456 958
Legal Fees	116 625	192 916
Membership and Subscriptions	435 668	-
New Conections	523	-
Printing and Stationary	77 566	112 700
Public Transport	9 500	-
Railage	27 286	-
Rental	185 526	-
Telephone and Postage	368 837	302 442
Travelling and Subsistence	786 455	351 244
Website	4 739	-
Other	577 510	685 348
Total General Expenses	6 816 923	5 462 027

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
37. GAIN/ (LOSS) ON SALE OF ASSETS		
Property, plant and equipment	-	603 310
Intangible assets	-	-
Investment property	-	-
Biological assets	-	-
Other financial assets	-	-
Total Gain/ (Loss) on Sale of Assets	-	603 310
38. IMPAIRMENT LOSS/ (REVERSAL OF IMPAIRMENT LOSS)		
Property, Plant and Equipment	651 399	42 258
<i>Obsolete Property, Plant and Equipment with no economic value</i>		
Investment Property	-	196 961
<i>Land situated in sand dunes with no economic value</i>		
Intangible Assets	54 806	9 236
<i>Obsolete Intangible Assets with no economic value</i>		
Total (Impairment Loss)/ Reversal of Impairment Loss	706 205	248 455
39. CORRECTION OF ERROR IN TERMS OF GRAP 3		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
39.1 Receivables from Non-Exchange Transactions		
Balance previously reported	-	380 307
Income from Agency Services not recognised in June 2012 - Note 18	-	2 496
Income from Agency Services not recognised in periods before 1 July 2012 - Note 18	-	66 347
Restated Balance	-	449 149
Income for Agency Services not recognised in prior years.		
39.2 Inventory		
Balance previously reported	-	322 338
Correction of differences identified during stock count in 2011/2012 - Note 16	-	(1 607)
Spare parts of Infrastructure Assets previously disclosed as Inventory - Note 16	-	(258 300)
Restated Balance	-	62 431
Correction of Inventory differences identified during stock counts.		
39.3 Payables from Exchange Transactions		
Balance previously reported	-	2 625 659
Recognise Unidentified Deposits as Other Income - Note 8	-	(1 499)
Recognise credit notes in 2011/2012 - Note 8	-	(18 297)
Salaries Payable not recognised in 2011/2012 - Note 8	-	145 750
Retention not recognised in prior years - Note 8	-	33 849
Recognise credit-note issued on prior year grant expenditure - Note 8	-	(186 371)
Recognise Payables of Infrastructure Assets - Note 8	-	651 246
Restated Balance	-	3 250 337
Correction of prior year Unidentified Deposits, Trade Creditors and Sundry Creditors .		
39.4 Unpaid Conditional Government Grants and Receipts		
Balance previously reported	-	145 948
Recognise over expenditure as Other Operating Grant Expenditure - Note 9	-	(143 241)
Restated Balance	-	2 706
Recognise over-expenditure on Namakwa DM Grant as own expenses.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
39.5 Receivables from Exchange Transactions		
Balance previously reported	-	1 626 638
Correction of Consumer Accounts - Note 17	-	(41 469)
Correction of Debtors: Other Rental Accounts - Note 17	-	5 471
Restated Balance	-	1 590 639
Correction of Consumer Accounts		
39.6 Unspent Conditional Government Grants and Receipts		
Balance previously reported	-	9 674 472
Recognise credit-note issued i.r.o. prior year grant expenditure - Note 9	-	186 371
Restated Balance	-	9 860 843
Recognise credit note issued i.r.o. prior year operating grant expenditure.		
39.7 Property, Plant and Equipment		
Balance previously reported	-	95 970 803
Cost	-	1 918 645
Infrastructure Assets recognised in incorrect financial year - Note 12.2	-	571 269
Community Assets not recognised in prior years - Note 12.2	-	752 882
Land and Buildings not recognised in prior years - Note 12.2	-	246 210
Lease Assets recognised incorrectly in prior year - Note 12.2	-	89 985
Spare parts of Infrastructure Assets previously disclosed as Inventory - Note 12.2	-	258 300
Accumulated Depreciation	-	(3 052)
Recalculation of depreciation on Other Assets - Note 12.2	-	(52)
Depreciation on Lease Assets - Note 12.2	-	(2 999)
Restated Balance	-	97 886 396
Correction of prior year depreciation on Other Assets, Community Assets not recognised in prior years, Infrastructure Assets recognised in incorrect financial year and Spare Parts recognised as		
39.8 Taxes		
Balance previously reported	-	2 053 777
VAT on Infrastructure Assets - Note 10.1	-	79 978
Restated Balance	-	2 133 754
VAT on Infrastructure Assets recognised in incorrect financial year.		
39.9 Long-term Liabilities		
Balance previously reported	-	3 317 091
Recognise Finance Leases - Note 3	-	89 985
Redemption on Finance Leases for 2011/2012 - Note 3	-	(2 517)
Current Portion of Finance Leases disclosed under Current Liabilities - Note 3	-	(16 887)
Restated Balance	-	3 387 672
Finance Leases recognised incorrectly in prior year.		
39.10 Current Portion of Long-term Liabilities		
Balance previously reported	-	1 383 520
Current Portion of Finance Leases disclosed under Current Liabilities - Note 3	-	16 887
Restated Balance	-	1 400 407
Finance Leases recognised incorrectly in prior year.		
39.11 Accumulated Surplus/(Deficit) - 1 July 2011		
Income from Agency Services not recognised in periods before 1 July 2012 - Note 39.1	-	66 347
Retention not recognised in prior years - Note 39.3	-	(33 849)
Community Assets not recognised in prior years - Note 39.7	-	752 882
Land and Buildings not recognised in prior years - Note 39.7	-	246 210
Total	-	1 031 590

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

39.12 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not implemented in prior years:

	Note	Balance previously reported	Adjustments	Restated Balance
Revenue				
Property taxes		6 856 823	-	6 856 823
Government Grants and Subsidies	39.6	16 282 885	(186 371)	16 096 514
Public Contributions and Donations		102 211	-	102 211
Contributed Property, Plant and Equipment		-	-	-
Fines		13 465	-	13 465
Third Party Payments		-	-	-
Actuarial Gains		-	-	-
Other Revenue from non-exchange transactions		-	-	-
Property Rates - penalties imposed and collection charges		513 354	-	513 354
Service Charges	39.5	16 355 288	(41 469)	16 313 818
Water Services Authority Contribution		-	-	-
Rental of Facilities and Equipment		1 406 635	5 471	1 412 106
Interest Earned - external investments		612 801	-	612 801
Interest Earned - outstanding receivables		1 472 412	-	1 472 412
Licences and Permits		148 793	-	148 793
Income for Agency Services	39.1	376 013	2 496	378 509
Other Income	39.3	1 146 429	1 499	1 147 929
Unamortised Discount - Interest	39.9	-	-	-
Total		45 287 109	(218 375)	45 068 735
Expenditure				
Employee related costs	39.3	(12 797 631)	205 494	(12 592 137)
Remuneration of Councillors		(1 849 416)	-	(1 849 416)
Debt Impairment		(4 793 318)	-	(4 793 318)
Collection Costs		-	-	-
Depreciation and Amortisation	39.7	(6 256 445)	(3 052)	(6 259 497)
Repairs and Maintenance	39.2 & 39.3	(1 375 429)	16 690	(1 358 739)
Unamortised Discount - Interest		(137 940)	-	(137 940)
Actuarial Losses		(184 836)	-	(184 836)
Finance Costs		(1 036 255)	-	(1 036 255)
Bulk Purchases		(7 283 099)	-	(7 283 099)
Contracted Services		(217 947)	-	(217 947)
Grants and Subsidies Paid		-	-	-
Other Operating Grant Expenditure	39.3	(6 596 707)	43 129	(6 553 577)
General Expenses		(5 113 299)	(348 728)	(5 462 027)
Total		(47 642 323)	(86 466)	(47 728 789)
Net Surplus/(Deficit) for the year		(2 355 213)	(304 841)	(2 660 054)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
40. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	8 938 555	(2 305 199)
Adjustments for:		
Depreciation and amortisation	4 421 272	6 259 497
Impairment Loss/(Reversal of Impairment Loss)	706 205	217 662
Government Grants and Subsidies received	30 158 364	21 619 273
Government Grants and Subsidies recognised as revenue	(37 565 593)	(16 096 514)
Contribution to provisions – Non-Current Provisions	336 420	325 391
Contribution from/to provisions - Non-Current Employee Benefits	91 938	175 982
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	54 452	184 836
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(145 856)	-
Contribution to provisions – Bad debt	6 069 132	4 793 318
Bad debts written off	(136 695)	(3 183 025)
Unamortised Discounts - Interest Paid	103 499	137 940
Operating lease income accrued	2 717	2 488
Operating Surplus/(Deficit) before changes in working capital	13 034 410	12 131 648
Changes in working capital	(2 002 407)	(3 692 722)
Increase/(Decrease) in Consumer Deposits	46 341	57 728
Increase/(Decrease) in Trade and Other Payables	4 494 128	(1 245 026)
Increase/(Decrease) in Employee Benefits	341 392	25 096
Increase/(Decrease) in Taxes	(1 013 163)	(646 755)
(Increase)/Decrease in Inventory	28 644	32 397
(Increase)/Decrease in Trade Receivables from exchange transactions	(3 796 228)	(192 704)
(Increase)/Decrease in Other Receivables from non-exchange transactions	(2 103 520)	(1 723 458)
Cash generated/(absorbed) by operations	11 032 003	8 438 926
41. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 20	1 039 289	421 196
Call Investments Deposits - Note 20	9 357 780	16 026 627
Cash Floats - Note 20	480	380
Total cash and cash equivalents	10 397 550	16 448 203

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
42. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 41	10 397 550	16 448 203
Less:	(3 143 480)	(10 576 507)
Unspent Committed Conditional Grants - Note 9	(2 450 908)	(9 860 843)
Cash Portion of Housing Development Fund - Note 2	(692 572)	(715 664)
Secured Investments		
Net cash resources available for internal distribution	7 254 069	5 871 695
Allocated to:		
Capital Replacement Reserve	(1 103 661)	(1 322 549)
Resources available for working capital requirements	6 150 409	4 549 147
43. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 3	3 633 482	4 985 512
Used to finance property, plant and equipment - at cost	(3 633 482)	(4 985 512)
	-	-
Cash set aside for the repayment of long-term liabilities		
Cash invested for repayment of long-term liabilities	-	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management		

44. BUDGET COMPARISONS

	2013 Actual R	2013 Final Budget R	2013 Variance R	2013 Variance %
44.1 Operational Budget by Standard Classification				
<u>Revenue - Standard</u>				
Governance and Administration				
Executive and council	5 647 287	1 014 148	4 633 139	456.85%
Budget and Treasury Office	10 944 055	10 415 291	528 764	5.08%
Corporate Services	26 341 067	25 391 981	949 086	3.74%
Community and Public Safety				
Community and Social Services	1 603 909	607 632	996 277	163.96%
Sport and Recreation	2 413 565	(8 531)	2 422 096	-28391.70%
Public Safety	91 241	-	91 241	
Housing	13 674	25 961	(12 287)	-47.33%
Health	44 862	(23 750)	68 612	-288.89%
Economic and Environmental Services				
Planning and Development	3 979	-	3 979	-
Road Transport	2 660 272	355 353	2 304 919	648.63%
Environmental Protection	-	-	-	-
Trading Services				
Electricity	8 760 586	10 168 972	(1 408 386)	-13.85%
Water	5 677 987	15 104 101	(9 426 114)	-62.41%
Waste Water Management	2 212 158	2 531 606	(319 448)	-12.62%
Waste Management	2 258 348	2 349 496	(91 148)	-3.88%
Other	-	-	-	-
Total Revenue	68 672 989	67 932 260	740 729	1.09%

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 Actual R	2013 Budget R	2013 Variance R	2013 Variance %
<u>Expenditure - Standard</u>				
Governance and Administration				
Executive and council	(6 158 078)	(6 690 922)	532 844	-7.96%
Budget and Treasury Office	(8 897 755)	(5 039 725)	(3 858 030)	76.55%
Corporate Services	(9 440 604)	(23 711 544)	14 270 940	-60.19%
Community and Public Safety				
Community and Social Services	(1 402 644)	(1 938 391)	535 747	-27.64%
Sport and Recreation	(2 963 014)	(461 999)	(2 501 015)	541.35%
Public Safety	(214 248)	(122 072)	(92 176)	75.51%
Housing	(36 766)	(1 249 280)	1 212 515	-97.06%
Health	(61 051)	(397 196)	336 145	-84.63%
Economic and Environmental Services				
Planning and Development	(375 592)	-	(375 592)	-
Road Transport	(10 941 871)	(6 910 336)	(4 031 535)	58.34%
Environmental Protection	-	-	-	-
Trading Services				
Electricity	(10 950 896)	(13 043 210)	2 092 314	-16.04%
Water	(5 068 567)	(5 857 925)	789 358	-13.48%
Waste Water Management	(1 603 561)	(2 573 460)	969 899	-37.69%
Waste Management	(1 619 789)	(2 518 111)	898 322	-35.67%
Other	-	-	-	-
Total Expenditure	(59 734 434)	(70 514 171)	10 779 737	-15.29%
Surplus/(Deficit) for the year	8 938 555	(2 581 911)	11 520 466	-446.20%

Details of material variances

Refer to Note 46 for details of material variances

	2013 Actual R	2013 Budget R	2013 Variance R	2013 Variance %
44.2 Capital Expenditure by Standard Classification				
Governance and Administration				
Executive and council	35 389	-	35 389	100.00%
Budget and Treasury Office	106 022	16 300	89 722	550.44%
Corporate Services	-	120 533	(120 533)	-100.00%
Community and Public Safety				
Community and Social Services	176 703	320 000	(143 297)	-44.78%
Sport and Recreation	1 270 852	84 500	1 186 352	1403.97%
Public Safety	-	-	-	-
Housing	-	-	-	-
Health	-	-	-	-
Economic and Environmental Services				
Planning and Development	-	-	-	-
Road Transport	11 107 980	8 830 800	2 277 180	25.79%
Environmental Protection	-	-	-	-
Trading Services				
Electricity	1 658 333	1 705 000	(46 667)	-2.74%
Water	807 942	15 600	792 342	5079.11%
Waste Water Management	573 883	149 211	424 672	284.61%
Waste Management	2 200	-	2 200	100.00%
Other	-	-	-	-
Total Capital Expenditure	15 739 304	11 241 944	4 497 360	40.01%

Details of material variances

Refer to Note 46 for details of material variances

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 Actual R	2013 Budget R	2013 Variance R	2013 Variance %
44.3 Operational Budget by Municipal Vote				
<u>Revenue - Vote</u>				
Municipal Manager	5 647 287	1 014 148	4 633 139	456.85%
Council General Expenses	4 937 826	243 004	4 694 822	1931.99%
Municipal Manager	709 461	771 144	(61 683)	-8.00%
Manager: Corporate Services	28 693 280	24 744 415	3 948 865	15.96%
Administration	27 679 170	23 717 752	3 961 418	16.70%
Beaches	-	1 280	(1 280)	-100.00%
Caravan Park	1 026 722	1 013 010	13 712	1.35%
Cemetery	3 285	4 472	(1 187)	-26.54%
Library	(10 168)	26 342	(36 510)	-138.60%
Museum	(3 929)	(8 630)	4 701	-54.48%
Recreational Park	(1 801)	(9 811)	8 010	-81.64%
Manager: Financial Services	12 671 830	11 664 169	1 007 661	8.64%
Administration	3 775 830	3 237 466	538 364	16.63%
Assessment Rates	7 168 225	7 177 825	(9 600)	-0.13%
Commonage	276 616	585 448	(308 832)	-52.75%
Health	44 862	(23 750)	68 612	-288.89%
Housing Scheme 5	13 674	25 961	(12 287)	-47.33%
Offices	1 388 644	374 027	1 014 617	271.27%
Properties	3 979	287 192	(283 213)	-98.61%
Manager: Infrastructure Services	21 660 591	30 509 528	(8 848 937)	-29.00%
Electricity Service	8 760 586	10 168 972	(1 408 386)	-13.85%
Refuse Removal	2 258 348	2 349 496	(91 148)	-3.88%
Roads & Stormwater	2 683 002	266 898	2 416 104	905.25%
Sewerage Service	2 212 158	2 531 606	(319 448)	-12.62%
Vehicle Testing	91 241	116 252	(25 011)	-21.51%
Water Service	5 677 987	15 104 101	(9 426 114)	-62.41%
Workshop	(22 730)	(27 797)	5 067	-18.23%
Total Revenue	68 672 989	67 932 260	740 729	1.09%
	2013 Actual R	2013 Budget R	2013 Variance R	2013 Variance %
<u>Expenditure - Vote</u>				
Municipal Manager	(6 158 078)	(6 690 922)	532 844	-7.96%
Council General Expenses	(4 680 520)	(5 665 924)	985 404	-17.39%
Municipal Manager	(1 477 557)	(1 024 998)	(452 559)	44.15%
Manager: Corporate Services	(13 100 289)	(25 015 739)	11 915 450	-47.63%
Administration	(9 440 604)	(20 450 169)	11 009 565	-53.84%
Beaches	(83 193)	(185 792)	102 599	-55.22%
Caravan Park	(1 992 718)	(2 095 161)	102 443	-4.89%
Cemetery	(18 432)	(108 294)	89 862	-82.98%
Community Gym	(148 491)	(150 000)	1 509	-1.01%
Fire Brigade	(46 464)	(122 072)	75 608	-61.94%
Library	(1 319 972)	(1 305 552)	(14 420)	1.10%
Museum	(24 811)	(472 492)	447 681	-94.75%
Recreational Park	(16 448)	(42 007)	25 559	-60.84%
Sport Ground	(9 156)	(84 200)	75 044	-89.13%
Manager: Financial Services	(10 123 601)	(7 904 468)	(2 219 133)	28.07%
Administration	(3 211 760)	(3 728 014)	516 254	-13.85%
Assessment Rates	(5 685 995)	(1 311 711)	(4 374 284)	333.48%
Commonage	(39 429)	(52 053)	12 624	-24.25%
Health	(61 051)	(397 196)	336 145	-84.63%
Housing Scheme 4	(18 405)	(624 715)	606 310	-97.05%
Housing Scheme 5	(18 361)	(624 565)	606 204	-97.06%
Offices	(713 008)	(736 924)	23 916	-3.25%
Properties	(375 592)	(429 290)	53 698	-12.51%

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Manager: Infrastructure Services	(30 352 467)	(30 903 042)	550 575	-1.78%
Electricity Service	(10 950 896)	(13 043 210)	2 092 314	-16.04%
Refuse Removal	(1 619 789)	(2 518 111)	898 322	-35.67%
Roads & Stormwater	(9 957 980)	(5 533 884)	(4 424 096)	79.95%
Sewerage Service	(1 603 561)	(2 573 460)	969 899	-37.69%
Vehicle Testing	(167 784)	(256 034)	88 250	-34.47%
Water Service	(5 068 567)	(5 857 925)	789 358	-13.48%
Workshop	(983 890)	(1 120 418)	136 528	-12.19%
Total Expenditure	(59 734 434)	(70 514 171)	10 779 737	-15.29%
Surplus/(Deficit) for the year	8 938 555	(2 581 911)	11 520 466	-446.20%

Details of material variances

Refer to Note 46 for details of material variances

	2013 Actual R	2013 Budget R	2013 Variance R	2013 Variance %
44.4 Capital Expenditure by Municipal Vote				
Municipal Manager	35 389	-	35 389	100.00%
Council General Expenses	20 049	-	20 049	100.00%
Municipal Manager	15 340	-	15 340	100.00%
Manager: Corporate Services	1 447 555	404 500	1 043 055	257.86%
Administration	-	-	-	-
Beaches	-	-	-	-
Caravan Park	-	-	-	-
Cemetery	3 954	100 000	(96 046)	-96.05%
Community Gym	-	-	-	-
Fire Brigade	-	-	-	-
Library	172 749	220 000	(47 251)	-21.48%
Museum	-	-	-	-
Recreational Park	-	66 000	(66 000)	-100.00%
Sport Ground	1 270 852	18 500	1 252 352	6769.47%
Manager: Financial Services	106 022	136 833	(30 811)	-22.52%
Administration	-	16 300	(16 300)	-100.00%
Assessment Rates	-	-	-	-
Commonage	-	-	-	-
Health	-	-	-	-
Housing Scheme 4	-	-	-	-
Housing Scheme 5	-	-	-	-
Offices	106 022	-	106 022	100.00%
Properties	-	120 533	(120 533)	-100.00%
Manager: Infrastructure Services	14 150 339	10 700 611	3 449 728	32.24%
Electricity Service	1 658 333	1 705 000	(46 667)	-2.74%
Refuse Removal	2 200	-	2 200	100.00%
Roads & Stormwater	11 097 144	8 830 800	2 266 344	25.66%
Sewerage Service	573 883	149 211	424 672	284.61%
Vehicle Testing	-	-	-	-
Water Service	807 942	15 600	792 342	5079.11%
Workshop	10 837	-	10 837	100.00%
Total Capital Expenditure	15 739 304	11 241 944	4 497 360	40.01%

Details of material variances

Refer to Note 46 for details of material variances

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

45. BUDGET INFORMATION

45.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative effect of the abnormal high electricity and solid waste tariff increases on consumer debtors, the decrease in the capital expenditure, and the reprioritising of capital projects, with the corresponding changes to funding sources.

45.2 Explanation of variances greater than 5%: Final Budget and Actual Amounts

Statement of Financial Position

45.2.1 Current Assets

Cash and Cash Equivalents

Document reasons

Consumer Debtors

Increase in Consumer Debtors due to non-payment of consumer accounts.

Other Debtors

Increase in Other Debtors due to Income for Agency Services not received.

Inventory

Decrease in inventory due to increase in variances during annual stock count.

45.2.2 Non-Current Assets

Intangible Assets

Decrease in Intangible Assets due to impairment of Intangible Assets.

45.2.3 Current Liabilities

Borrowing

Decrease in Short-term Portion of Borrowings due to new loans taken-up.

Trade and Other Payables

Decrease in Creditors due to payment of creditors before year-end.

Provisions

Increase in Provisions due to increase in provision for Staff Leave and Staff Bonuses.

45.2.4 Non-Current Liabilities

Borrowing

Decrease in Borrowings due to repayment of Long-term Liabilities.

45.2.5 Net Assets

Accumulated Surplus/(Deficit)

Increase in Accumulated Surplus due to net profit for the year.

Reserves

Decrease in Reserves due to decrease in Capital Replacement Reserve and Housing Development Fund.

Statement of Financial Performance

45.2.6 Revenue

Property Rates - Penalties & Collection Charges

Increase in Penalties and Collection Charges due to non-payment of consumer accounts.

Service Charges

Decrease in Service Charges due to decrease in Electricity Sales to consumers.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Rental of Facilities and Equipment

Decrease in rental due to decrease in rental of council houses and land.

Interest Earned - External Investments

Increase in interest received due to increase in Cash and Cash Equivalents.

Fines

Increase in fines due to additional fines received.

Licences and Permits

Decrease due to decrease in building fees and roadworthy certificates.

Agency Services

Decrease due to decrease in agency fees from Eskom and Vehicle Registrations.

Transfers Recognised

Decrease due to all grants not spent on 30 June 2013.

Other Revenue

Increase due to VAT on grants expenditure recognise as own income.

Gains on Disposal of PPE

Decrease in Disposal of PPE due to vacant land not sold.

45.2.7 Expenditure

Employee Related Costs

Decrease in Salaries and Wages due to vacant posts not filled and senior mangement post filled during the year.

Finance Charges

Increase in interest due to interest on post-retirements not included in budget.

Bulk Purchases

Decrease in Bulk Purchases due to decrease in Service Charges

Contracted Services

Increase due to appointment of additional consultants.

Other Expenditure

Decrease due to decrease in operating grant expenditure.

Cash Flow Statement

45.2.8 Net Cash from Operating Activities

Receipts

Decrease due to decrease in Service Charges and Conditional Grants not spent during the year.

Payments

Decrease due to decrease in Other Expenditure.

45.2.9 Net Cash from Investing Activities

Decrease/(Increase) in Other Non-Current Receivables

Increase due to repayment of Long-term Receivables.

Capital Assets

Increase due to additional capital expenditure.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

45.2.10 Net Cash from Financing Activities

Borrowing long term/refinancing

Increase due to new finance leases for modems and tablets.

Increase/(Decrease) in Consumer Deposits

Decrease due to less consumer connections.

Repayment of Borrowing

Increase due to repayment of finance leases.

	2013 R	2012 R
46. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
46.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	14 406 899	13 928 199
Unauthorised expenditure current year - operational	2 219 133	48 113
Unauthorised expenditure current year - capital	4 457 394	430 587
Approved by Council or condoned	-	-
Unauthorised expenditure awaiting authorisation	21 083 426	14 406 899

Incident	Disciplinary steps/criminal proceedings
<i>Over expenditure of approved budget</i>	<i>None</i>

46.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance	115	115
Fruitless and wasteful expenditure current year	13 902	-
Condoned or written off by Council	-	-
Fruitless and wasteful expenditure awaiting condonement	14 017	115

Incident	Disciplinary steps/criminal proceedings
<i>Interst and Penalties Paid to SARS on late payment of employee tax - R115</i>	<i>To be investigated</i>
Interest Paid to Eskom - R13 902	To be investigated

46.3 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	22 544 850	21 034 974
Irregular expenditure current year	9 754 126	1 509 876
Condonement supported by council	-	-
Irregular expenditure awaiting further action	32 298 976	22 544 850

Irregular expenditure awaiting condonement from National Treasury	43 338 403	33 584 277
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Incident	Disciplinary steps/criminal proceedings		
<i>Non compliance with Supply Chain Management Policy - Three written quotations not obtained and incomplete registration forms</i>	<i>To be investigated</i>	16 460 016	15 911 541
<i>Non compliance of tenders with Supply Chain Management Policy</i>	<i>To be investigated</i>	13 859 924	5 123 433
<i>Non compliance with Supply Chain Management Policy - Advertisement not on website for at least 7 days</i>	<i>To be investigated</i>	-	-
<i>Non compliance with Supply Chain Management Policy - Supplier in service of state</i>	<i>To be investigated</i>	488 017	18 857
<i>Non compliance with Supply Chain Management Policy - Contracts awarded not published on website</i>	<i>To be investigated</i>	1 487 349	1 487 349
<i>Non compliance with Supply Chain Management Policy - Deviation not reported to council</i>	<i>To be investigated</i>	3 670	3 670
Total Irregular Expenditure		32 298 976	22 544 850

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
47. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
47.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)		
Opening balance	-	-
Council subscriptions	404 000	100 000
Amount paid - current year	(404 000)	(100 000)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
47.2 Audit fees - [MFMA 125 (1)(c)]		
Opening balance	-	823 365
Current year audit fee	1 663 713	1 455 038
Amount paid - current year	(1 253 671)	(2 278 403)
Amount paid - previous year	-	-
Balance unpaid (included in creditors)	410 042	-
47.3 VAT - [MFMA 125 (1)(c)]		
Opening balance	2 042 781	497 217
Amounts received - current year	(1 733 607)	-
Amounts claimed - current year (payable)	2 840 942	1 561 401
Amount paid - current year	-	(15 837)
Amount paid - previous year	-	-
Closing balance	3 150 116	2 042 781
VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.		
47.4 PAYE, SDL and UIF - [MFMA 125 (1)(c)]		
Opening balance	93 550	85 242
Current year payroll deductions	1 579 214	1 209 217
Amount paid - current year	(1 468 434)	(1 115 667)
Amount paid - previous year	(93 550)	(85 242)
Balance unpaid (included in creditors)	110 780	93 550
47.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]		
Opening balance	151 309	139 966
Current year payroll deductions and Council Contributions	3 386 112	2 951 697
Amount paid - current year	(3 224 386)	(2 800 388)
Amount paid - previous year	(151 309)	(139 966)
Balance unpaid (included in creditors)	161 726	151 309
47.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]		
The following Councillors had arrear accounts for more than 90 days as at 30 June 2013:		
	Outstanding more than 90 days	
AM Jansen	878	
The following Councillors had arrear accounts outstanding for more than 90 days during the year. These accounts were however settled before year-end:		
	Highest amount outstanding	Ageing
AM Jansen	196	> 120 days
AM Jansen	682	> 90 days

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

47.7 **Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005**

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

	Amount	Single Supplier	Type of Deviation		
			Impossible	Impractical	Emergency
July	51 733	3	1	8	-
August	215 763	3	2	5	-
September	188 271	2	-	6	-
October	527 971	1	-	11	2
November	334 070	-	-	20	1
December	139 593	-	-	8	1
January	29 910	1	-	5	-
February	19 477	-	-	4	-
March	574 486	-	-	16	-
April	598 465	1	-	12	-
May	170 563	-	-	11	-
June	200 221	-	-	5	-
	3 050 523	11	3	111	4

The following suppliers did not indicate that a member is in service of the state as required by section 13 (c)(i) of the Supply Chain Management Regulations:

Service provider	Name of member	State Department	Contract
Radio NFM	BWMLR Phindiwe	NC: Department of Education	18 857
P Dam	P Dam	Namakwa District Municipality	19 602
Afren Power Project	SG Fortuin	Namakwa District Municipality	449 588

	2013 R	2012 R
47.8 Material losses		
Electricity distribution losses		
Units purchased (Kwh)	9 290 606	9 164 724
Units lost during distribution (Kwh)	2 878 093	1 345 503
Percentage lost during distribution	30.98%	14.68%
Distribution loss (Rand Value)	1 857 521	1 005 360
Water distribution losses		
Units purchased (ml)	421 640	588 334
Units lost during distribution (ml)	14 798	166 485
Percentage lost during distribution	3.51%	28.30%
Distribution loss (Rand Value)	118 680	1 260 291

48. **CAPITAL COMMITMENTS**

Commitments in respect of capital expenditure:

Approved but not yet contracted for	4 297 937	2 066 003
Infrastructure	4 297 937	798 244
Community	-	1 267 759
Other	-	-
Total	4 297 937	2 066 003
This expenditure will be financed from:		
External Loans	-	-
Capital Replacement Reserve	-	-
Government Grants	4 297 937	1 540 938
Own Resources	-	-
District Council Grants	-	525 065
Total	4 297 937	2 066 003

49. **FINANCIAL RISK MANAGEMENT**

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

	2013 R	2012 R
1% (2012: 1%) Increase in interest rates	67 636	114 623
1% (2012: 1%) Decrease in interest rates	(67 636)	(114 623)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow Payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on the risk profile/credit quality associated with the group.

All rates and services are payable within 30 days from invoice date. Refer to note 17 and 18 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms..

	2013 %	2013 R	2012 %	2012 R
<u>Non-exchange Receivables</u>				
Rates	100.00%	10 035 612	100.00%	7 990 979
<u>Exchange Receivables</u>				
Electricity	5.85%	1 906 706	5.72%	1 646 481
Water	30.86%	10 062 684	29.26%	8 428 833
Housing	0.65%	212 222	0.75%	214 667
Refuse	22.26%	7 257 567	21.78%	6 275 306
Sewerage	18.88%	6 154 906	19.00%	5 473 360
Other	21.50%	7 011 601	23.50%	6 770 811
	100.00%	32 605 686	100.00%	28 809 457

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 17 and 18 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2013 %	2013 R	2012 %	2012 R
Non-exchange Receivables	23.57%	9 626 619	22.02%	7 685 789
Exchange Receivables	76.43%	31 210 426	77.98%	27 218 819
	100.00%	40 837 046	100.00%	34 904 608

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where

	2013 R	2012 R
Financial assets exposed to credit risk at year end are as follows:		
Long-term Receivables	225 785	234 462
Receivables from exchange transactions	32 605 686	28 845 457
Cash and Cash Equivalents	10 397 070	16 447 823
	43 228 541	45 527 741

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2013				
Long-term Liabilities	806 158	1 273 536	-	-
Provision for Rehabilitation of Landfill-sites	5 943 427	1 560 013	2 246 012	-
Trade and Other Payables	7 744 465	-	-	-
Unspent Conditional Grants and Receipts	2 450 908	-	-	-
	16 944 958	2 833 549	2 246 012	-
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2012				
Long-term Liabilities	745 835	1 949 002	-	-
Provision for Rehabilitation of Landfill-sites	5 607 362	1 515 056	2 276 765	464 541
Trade and Other Payables	2 625 659	-	-	-
Unspent Conditional Grants and Receipts	9 674 472	-	-	-
	18 653 328	3 464 058	2 276 765	464 541

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

(f) Concessionary Loans

Financial Institution:	DBSA
Loan number:	102 502
Interest Rate:	5.00%
Redeemable Date:	31/03/2014
Outstanding Balance:	253 909
Nominal Value:	244 468

50. FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

50.1	<u>Financial Assets</u>	<u>Classification</u>		
	Long-term Receivables			
	Housing Loans	Financial Instruments at amortised cost	225 785	234 462
	Receivables from Exchange Transactions			
	Electricity	Financial Instruments at amortised cost	1 906 706	1 646 481
	Refuse	Financial Instruments at amortised cost	7 257 567	6 275 306
	Sewerage	Financial Instruments at amortised cost	6 154 906	5 473 360
	Water	Financial Instruments at amortised cost	10 062 684	8 428 833
	Housing	Financial Instruments at amortised cost	212 222	214 667
	Other Debtors	Financial Instruments at amortised cost	7 011 601	6 770 812
	Cash and Cash Equivalents			
	Bank Balances	Financial Instruments at amortised cost	1 039 289	421 196
	Call Deposits	Financial Instruments at amortised cost	9 357 780	16 026 627
	Total Financial Assets		43 228 541	45 491 743
	Financial Instruments at amortised cost:			
	Long-term Receivables	Housing Loans	225 785	234 462
	Receivables from Exchange Transactions	Electricity	1 906 706	1 646 481
	Receivables from Exchange Transactions	Refuse	7 257 567	6 275 306
	Receivables from Exchange Transactions	Sewerage	6 154 906	5 473 360
	Receivables from Exchange Transactions	Water	10 062 684	8 428 833
	Receivables from Exchange Transactions	Loan Instalments	212 222	214 667
	Receivables from Exchange Transactions	Other Debtors	7 011 601	6 770 812
	Cash and Cash Equivalents	Bank Balances	1 039 289	421 196
	Cash and Cash Equivalents	Call Deposits	9 357 780	16 026 627
			43 228 541	45 491 743
	Total Financial Assets		43 228 541	45 491 743
50.2	<u>Financial Liabilities</u>	<u>Classification</u>		
	Long-term Liabilities			
	Annuity Loans	Financial Instruments at amortised cost	1 907 602	2 786 229
	Capitalised Lease Liability	Financial Instruments at amortised cost	1 725 880	2 111 815
	Trade and Other Payables			
	Trade Creditors	Financial Instruments at amortised cost	6 062 006	1 997 146
	Other Creditors	Financial Instruments at amortised cost	1 682 459	1 253 190
			11 377 946	8 148 381
	SUMMARY OF FINANCIAL LIABILITIES			
	Financial instruments at amortised cost:			
	Long-term Liabilities	Annuity Loans	1 907 602	2 786 229
	Long-term Liabilities	Capitalised Lease Liability	1 725 880	2 111 815
	Trade and Other Payables	Trade Creditors	2 450 908	1 997 146
	Trade and Other Payables	Other Creditors	-	1 253 190
			13 437 115	8 148 381

51. EVENTS AFTER THE REPORTING DATE

The Municipality is not aware of any events after the reporting date.

52. IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

53. PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

54. CONTINGENT LIABILITY

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

Sightfull 1235 CC	12 581 065	12 581 065
N7 Tata Werkswinkel CC	29 128	29 128
	12 610 193	12 610 193

The Categorisation and Job Evaluation Wage Curves Collective Agreement became effective on 1 July 2010. Hereby all employees (excluding Municipal Manager, Section 57 Managers and contractual employees) are to receive new wage rates as a result of their jobs being evaluated as per the TASK Job Evaluation System and published by SALGBC. Qualifying employees will receive back pay for 9 months once a Final Outcome Report is received, as per clause 7.2.6 of the Collective Agreement. Till date, no Final Outcome Report has been received.

2013
R

2012
R

55. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

55.1 Compensation of key management personnel

The compensation of key management personnel is set out in note 29 to the Annual Financial Statements.

55.2 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interest:

<u>Staff Member</u>	<u>Entity</u>		
LT Cloete	Celacon CC	-	14 430
M Losper	EC Losper	40 209	
L Cloete	MC Cloete	27 510	-
L Phillips	D Forbes	25 560	-
		93 279	14 430

56. FINANCIAL SUSTAINABILITY

Management is of the opinion that will municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.

12. PROPERTY, PLANT AND EQUIPMENT

12.1 30 June 2013

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Housing R	Total R
Carrying value at 1 July 2012	37 587 761	44 139 043	10 003 679	2 308 015	3 569 412	278 486	97 886 396
Cost	42 278 306	83 173 312	14 179 137	2 894 884	8 917 137	583 200	152 025 975
Original Cost	42 278 306	83 173 312	14 179 137	2 894 884	8 917 137	583 200	152 025 975
Accumulated Depreciation and Impairment Losses	(4 690 545)	(39 034 268)	(4 175 458)	(586 869)	(5 347 725)	(304 714)	(54 139 579)
Original Cost	(4 690 545)	(39 034 268)	(4 175 458)	(586 869)	(5 347 725)	(304 714)	(54 139 579)
Acquisitions	-	1 195 052	1 330 331	74 854	433 837	-	3 034 073
Capital under Construction	-	12 690 441	-	-	-	-	12 690 441
Depreciation	(228 877)	(2 242 430)	(620 463)	(46 068)	(1 207 470)	(7 010)	(4 352 318)
Normal Depreciation	(228 877)	(2 242 430)	(620 463)	(46 068)	(1 207 470)	(7 010)	(4 352 318)
Backlog Depreciation previously not recorded					-		-
Impairment losses	(498 244)	(355)	-	-	(153 155)	-	(651 755)
Cost	-	-	-	-	(413 150)	-	(413 150)
Accumulated Impairment Loss	(498 244)	-	-	-	259 995	-	(238 249)
Change in Provision for Rehabilitation Cost - IGRAP 2	-	(355)	-	-	-	-	(355)
Carrying value at 30 June 2013	36 860 640	55 781 750	10 713 546	2 336 801	2 642 623	271 476	108 606 837
Cost	42 278 306	97 058 449	15 509 467	2 969 738	8 937 823	583 200	167 336 984
Original Cost	42 278 306	97 058 449	15 509 467	2 969 738	8 937 823	583 200	167 336 984
Accumulated Depreciation and Impairment Losses	(5 417 666)	(41 276 699)	(4 795 921)	(632 937)	(6 295 200)	(311 724)	(58 730 146)
Original Cost	(5 417 666)	(41 276 699)	(4 795 921)	(632 937)	(6 295 200)	(311 724)	(58 730 146)

12.2 30 June 2012

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Housing R	Total R
Carrying value at 1 July 2011	40 391 498	45 327 391	10 658 652	857 084	4 296 993	294 856	101 826 474
Cost	44 727 306	80 826 018	14 069 762	1 440 954	8 401 934	583 200	150 049 174
Original Cost	44 481 096	80 826 018	13 316 880	1 440 954	8 401 934	583 200	149 050 082
Correction of Error - Note 39.7	246 210	-	752 882	-	-	-	999 092
Accumulated Depreciation and Impairment Losses	(4 335 808)	(35 498 627)	(3 411 109)	(583 870)	(4 104 941)	(288 344)	(48 222 700)
Original Cost	(4 335 808)	(35 498 627)	(3 411 109)	(583 870)	(4 104 941)	(288 344)	(48 222 700)
Acquisitions	-	2 323 344	109 375	1 453 930	818 314	-	4 704 962
Previously disclosed	-	1 493 775	109 375	1 363 945	818 314	-	3 785 409
Correction of Error - Note 39.7	-	829 569	-	89 985	-	-	919 554
Capital under Construction	-	23 950	-	-	-	-	23 950
Transfers from/(to) Investment Properties - Note 13	(2 449 000)	-	-	-	-	-	(2 449 000)
Cost	(2 449 000)	-	-	-	-	-	(2 449 000)
Accumulated Depreciation	-	-	-	-	-	-	-
Depreciation	(354 737)	(3 534 472)	(764 348)	(2 999)	(1 471 940)	(16 370)	(6 144 867)
Normal Depreciation	(354 737)	(3 534 472)	(764 348)	-	(1 471 887)	(16 370)	(6 141 815)
Correction of Error - Note 39.7	-	-	-	(2 999)	(52)	-	(3 052)
Carrying value of disposals	-	-	-	-	(32 866)	-	(32 866)
Cost	-	-	-	-	(303 111)	-	(303 111)
Accumulated Depreciation	-	-	-	-	270 245	-	270 245
Impairment losses	-	(1 169)	-	-	(41 089)	-	(42 258)
Cost	-	-	-	-	-	-	-
Accumulated Impairment Loss	-	(1 169)	-	-	(41 089)	-	(42 258)
Carrying value at 30 June 2012	37 587 761	44 139 043	10 003 679	2 308 015	3 569 412	278 486	97 886 396
Cost	42 278 306	83 173 312	14 179 137	2 894 884	8 917 137	583 200	152 025 975
Original Cost	42 278 306	83 173 312	14 179 137	2 894 884	8 917 137	583 200	152 025 975
Accumulated Depreciation and Impairment Losses	(4 690 545)	(39 034 268)	(4 175 458)	(586 869)	(5 347 725)	(304 714)	(54 139 579)
Original Cost	(4 690 545)	(39 034 268)	(4 175 458)	(586 869)	(5 347 725)	(304 714)	(54 139 579)

APPENDIX A
RICHTERSVELD MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2013

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2012	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2013
ANNUITY LOANS								
DBSA	10.00%	101910	31/12/2015	2 208 207	-	-	554 515	1 653 692
DBSA	5.00%	102502	31/03/2014	578 021	-	-	324 112	253 909
Total Annuity Loans				2 786 228	-	-	878 627	1 907 600
LEASE LIABILITY								
Office Equipment		Various	30/04/2017	252 552	89 985	-	72 786	269 751
Vehicles		Various	31/03/2017	1 859 263	-	-	451 472	1 407 791
Data Contracts		Various	30/09/2014	-	-	74 854	26 516	48 338
Total Lease Liabilities				2 111 815	89 985	74 854	550 775	1 725 880
TOTAL EXTERNAL LOANS				4 898 043	89 985	74 854	1 429 402	3 633 480

APPENDIX B
RICHTERSVELD MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2012 Actual Income R	2012 Actual Expenditure R	2012 Surplus/ (Deficit) R		2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R
529 458	4 262 069	(3 732 611)	Executive & Council	5 647 287	6 158 078	(510 790)
9 503 175	8 455 461	1 047 714	Budget & Treasury Office	10 944 055	8 897 755	2 046 300
15 019 984	8 200 656	6 819 327	Corporate Services	26 341 067	9 440 604	16 900 463
586 974	596 429	(9 455)	Planning & Development	3 979	375 592	(371 613)
(17 411)	132 113	(149 524)	Health	44 862	61 051	(16 188)
2 055 427	1 124 299	931 128	Community & Social Services	1 603 909	1 402 644	201 265
2 234	234 636	(232 402)	Housing	13 674	36 766	(23 092)
133 639	210 160	(76 521)	Public Safety	91 241	214 248	(123 007)
1 010 104	2 885 795	(1 875 691)	Sport and Recreation	2 413 565	2 963 014	(549 450)
-	-	-	Environmental Protection	-	-	-
2 159 375	1 916 298	243 077	Waste Management	2 258 348	1 619 789	638 559
2 045 947	1 560 219	485 728	Waste Water Management	2 212 158	1 603 561	608 597
192 874	5 322 562	(5 129 689)	Road Transport	2 660 272	10 941 871	(8 281 599)
5 003 529	4 758 717	244 812	Water	5 677 987	5 068 567	609 420
7 485 491	8 356 583	(871 093)	Electricity	8 760 586	10 950 896	(2 190 311)
45 710 800	48 015 999	(2 305 199)	Sub Total	68 672 989	59 734 434	8 938 555
-	-	-	Less Inter-Departmental Charges	-	-	-
45 710 800	48 015 999	(2 305 199)	Total	68 672 989	59 734 434	8 938 555

APPENDIX C
RICHTERSVELD MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013
MUNICIPAL VOTES CLASSIFICATIONS

2012 Actual Income R	2012 Actual Expenditure R	2012 Surplus/ (Deficit) R		2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R
814 254 (284 796)	3 828 011 1 477 557	(3 013 757) (1 762 353)	Municipal Manager Council General Expenses Municipal Manager	4 937 826 709 461	4 680 520 1 477 557	257 306 (768 096)
15 613 900 1 153 1 980 654 4 279 - 1 100 60 521 (2 978) 3 683 -	8 200 656 87 251 1 820 817 389 277 92 123 65 736 682 094 28 010 15 844 2 516	7 413 244 (86 098) 159 837 (384 998) (92 123) (64 636) (621 574) (30 988) (12 160) (2 516)	Manager: Corporate Services Administration Beaches Caravan Park Cemetery Community Gym Fire Brigade Library Museum Recreational Park Sport Grounds	27 679 170 - 1 026 722 3 285 - - (10 168) (3 929) (1 801) -	9 440 604 83 193 1 992 718 18 432 148 491 46 464 1 319 972 24 811 16 448 9 156	18 238 566 (83 193) (965 996) (15 147) (148 491) (46 464) (1 330 139) (28 740) (18 249) (9 156)
2 861 578 6 641 597 298 549 (17 411) 1 100 1 134 125 753 586 974	2 640 956 4 771 005 24 918 132 113 15 150 219 486 867 245 596 429	220 621 1 870 592 273 631 (149 524) (14 050) (218 352) (741 492) (9 455)	Manager: Financial Services Administration Assessment Rates Commonage Health Housing Scheme 4 Housing Scheme 5 Offices Properties	3 775 830 7 168 225 276 616 44 862 - 13 674 1 388 644 3 979	3 211 760 5 685 995 39 429 61 051 18 405 18 361 713 008 375 592	564 070 1 482 230 237 187 (16 188) (18 405) (4 687) 675 636 (371 613)
7 485 491 2 159 375 214 396 2 045 947 132 539 5 003 529 (21 522)	8 356 583 1 916 298 4 227 144 1 560 219 144 424 4 758 717 1 095 419	(871 093) 243 077 (4 012 748) 485 728 (11 885) 244 812 (1 116 941)	Manager: Infrastructure Services Electricity Service Refuse Removal Roads & Stormwater Sewerage Service Vehicle Testing Water Service Workshop	8 760 586 2 258 348 2 683 002 2 212 158 91 241 5 677 987 (22 730)	10 950 896 1 619 789 9 957 980 1 603 561 167 784 5 068 567 983 890	(2 190 311) 638 559 (7 274 978) 608 597 (76 543) 609 420 (1 006 621)
45 710 800	48 015 999	(2 305 199)	Sub Total	68 672 989	59 734 434	8 938 555
-	-	-	Less Inter-Departmental Charges	-	-	-
45 710 800	48 015 999	(2 305 199)	Total	68 672 989	59 734 434	8 938 555

APPENDIX D
RICHTERSVELD MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2012	Correction of Error	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2013	Unspent 30 June 2013 (Creditor)	Unpaid 30 June 2013 (Debtor)
<u>National Government Grants</u>										
Equitable Share	-	-	13 362 000	-	-	(13 362 000)	-	-	-	-
Finance Management Grant	32 359	-	1 500 000	-	(363 994)	(1 042 607)	(125 758)	-	-	-
Municipal System Improvement Grant	(2 706)	-	800 000	-	-	(797 294)	-	-	-	-
Municipal Infrastructure Grant	7 907 672	-	8 628 000	-	(2 120 006)	-	(14 415 666)	-	-	-
Integrated National Electrification	-	-	1 200 000	-	-	-	(1 081 922)	118 078	118 078	-
Total National Government Grants	7 937 325	-	25 490 000	-	(2 484 000)	(15 201 901)	(15 623 347)	118 078	118 078	-
<u>Provincial Government Grants</u>										
Sport	3 471	-	-	-	-	(3 471)	-	-	-	-
Library	205 758	-	706 000	-	-	(709 461)	-	202 298	202 298	-
Arts & Culture (Cultural Groups)	49	-	-	-	-	(49)	-	-	-	-
Cooperative Governance and Traditional Affairs	180 318	186 371	-	7 166	-	(1 015)	-	372 841	372 841	-
CoGTA (Flood Damage Kuboes)	250 147	-	-	-	-	(64 884)	-	185 263	185 263	-
CoGTA (MSP Watermeter)	413 877	-	-	-	-	(570)	(408 720)	4 587	4 587	-
CoGTA (Sizamile Vegetable)	1 583	-	-	-	-	-	-	1 583	1 583	-
CoGTA (Water Bulk Supply- 8 Mile)	41 169	-	-	-	-	(41 169)	-	-	-	-
CoGTA (Water Bulk Supply - Ninham Shand)	336 720	-	584 838	-	-	(346 374)	(313 254)	261 930	261 930	-
CoGTA (Pula Nala)	41 952	-	-	-	-	(41 952)	-	-	-	-
CoGTA Water Bulk Infrastructure	-	-	-	-	-	-	-	-	-	-
Government Grant	257 892	-	-	-	-	(257 892)	-	-	-	-
Harbour Grant	-	-	5 072 660	-	-	(3 769 029)	-	1 303 631	1 303 631	-
Total Provincial Government Grants	1 732 936	186 371	6 363 498	7 166	-	(5 235 865)	(721 974)	2 332 132	2 332 132	-
<u>District Municipality</u>										
Namakwa District Municipality	(143 241)	143 241	679 698	-	-	(679 698)	-	-	-	-
Total District Municipality Grants	(143 241)	143 241	679 698	-	-	(679 698)	-	-	-	-
<u>Other Grant Providers</u>										
NDFT CDW's	602	-	-	-	-	(602)	-	-	-	-
De Beers	-	-	102 001	-	-	(101 303)	-	698	698	-
Alexcor Culfest	904	-	-	-	-	(904)	-	-	-	-
Total Other Grant Providers	1 506	-	102 001	-	-	(102 809)	-	698	698	-
Total Grants	9 528 525	329 612	32 635 198	7 166	(2 484 000)	(21 220 273)	(16 345 321)	2 450 908	2 450 908	-

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.